

July 2008

TRAFFIC SAFETY

NHTSA's Improved Oversight Could Identify Opportunities to Strengthen Management and Safety in Some States





Highlights of [GAO-08-788](#), a report to congressional committees

Why GAO Did This Study

Traffic crashes kill thousands of Americans every year—in 2005, it was the leading cause of death among young Americans. To try to improve highway safety, Congress authorized a grant program overseen by the Department of Transportation's (DOT) National Highway Traffic Safety Administration (NHTSA). In 2003, GAO recommended that NHTSA improve the consistency of its management reviews, a key aspect of NHTSA's oversight. In response to a legislative mandate, GAO assessed (1) how states have used grant funding to address safety goals, (2) NHTSA's progress in improving consistency in its management reviews, (3) the usefulness of its management review recommendations, and (4) approaches to further improve safety. In performing this work, GAO reviewed traffic safety data, analyzed state spending patterns, conducted site visits with eight states, and interviewed agency officials.

What GAO Recommends

GAO recommends that NHTSA, among other things, increase the usefulness of management review results to identify and address common state challenges and identify options to target safety expertise to states having a high number of fatalities.

DOT generally agreed with the analysis and conclusions of this report but disagreed with one recommendation, which was revised to address NHTSA's concerns.

To view the full product, including the scope and methodology, click on [GAO-08-788](#). For more information, contact Katherine A. Siggerud at (202) 512-2834 or siggerudk@gao.gov.

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What GAO Found

From fiscal year 1999 through 2007, states directed about 54 percent of NHTSA's State and Community Highway Safety formula grant funding toward programs, including traffic enforcement, that address the leading causes of traffic fatalities—alcohol-impaired driving and driving without a safety belt, both of which are national safety goals. States directed the rest of this grant funding to a variety of safety programs, many of which address national goals but some of which target state-specific safety challenges such as driving safely in winter weather. To address safety goals, state highway safety offices disperse federal funding to “subgrantees,” such as local law enforcement or nonprofit agencies that carry out the safety programs.

NHTSA implemented both Congress' requirement that it conduct management reviews of states and territories on a 3-year schedule as well as GAO's prior recommendation to improve the consistency with which it uses these reviews. GAO analyzed NHTSA's management reviews and identified some variation in how information was documented. However, in 2007 NHTSA took several steps, such as instituting a team to review the quality of management review reports, which should further improve the consistency of information contained in these reports—information NHTSA could use to assess the impact of its recommendations on state safety programs.

GAO found NHTSA's management review recommendations useful because they are designed to address fundamental management principles such as improving program planning and ensuring states' compliance with statutes governing safety grants. Also, state officials said NHTSA's recommendations serve as a useful management tool. However, NHTSA does not analyze the recommendations on a national level to target its technical assistance to common state challenges. GAO conducted such an analysis and found that the recommendations revealed common state challenges such as the need to improve monitoring of subgrantee activities and expenditures, which helps ensure that funds are used for the intended purpose. NHTSA also frequently recommended that states spend grant funding more quickly, which NHTSA officials believed would expand safety programs and, in turn, improve safety.

From 1997 through 2006, the national traffic fatality rate—the number of traffic fatalities per 100 million vehicle miles traveled—declined 14 percent, but traffic fatalities remained at about 43,000 per year as factors such as increases in the number of miles driven offset the decrease in the rate. NHTSA uses several approaches to help states reduce fatalities, including requiring program reviews in states that are not making adequate progress in reducing alcohol-impaired driving and increasing safety belt use. Yet some states with low or average fatality rates but a high number of fatalities may not be eligible for a required review under NHTSA's current criteria. States with high total numbers of fatalities offer an opportunity to save the greatest number of lives, but for these states to receive an in-depth program review, the states must request and pay for such safety expertise.

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Abbreviations

DOT	Department of Transportation
DOT IG	Department of Transportation's Office of the Inspector General
DWI	Driving While Intoxicated
GHSA	Governors Highway Safety Association
GTS	Grants Tracking System
NHTSA	National Highway Traffic Safety Administration
OMB	Office of Management and Budget
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
STSF	Standardized Field Sobriety Test

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United States Government Accountability Office
Washington, DC 20548

July 14, 2008

The Honorable Daniel K. Inouye
Chairman
The Honorable Ted Stevens
Vice Chairman
Committee on Commerce, Science,
and Transportation
United States Senate

The Honorable James Oberstar
Chairman
The Honorable John L. Mica
Ranking Member
Committee on Transportation
and Infrastructure
House of Representatives

Traffic crashes were the leading cause of death for young people in the United States in 2005,¹ and, according to estimates by the National Highway Traffic Safety Administration (NHTSA), traffic crashes cost the United States over \$230 billion in 2000 (about \$275 billion in 2007 dollars).² Congress has developed many approaches to help states and communities reduce fatalities, including grants to support state highway safety programs as well as federal oversight of, and technical assistance to, state programs. Specifically, in 1966 Congress authorized a formula grant program—the State and Community Highway Safety Grant Program (23 U.S.C. § 402), commonly referred to as the Section 402 program—that requires that each state have an approved highway safety program designed to address traffic safety issues. States can use Section 402 funding for law enforcement activities to reduce speeding, improvements

¹In 2005, motor vehicle crashes were the leading cause of death in the United States for young people ages 3 through 6 and 8 through 34. R. Subramanian, NHTSA, *Traffic Safety Facts Research Note: Motor Vehicle Traffic Crashes as a Leading Cause of Death in the United States, 2005*, DOT HS 810 936 (Washington, D.C., 2008).

²Blincoe et al., NHTSA, *The Economic Impact of Motor Vehicle Crashes, 2000* (Washington, D.C., 2002). The cost of traffic crashes includes the cost of fatalities, nonfatal injuries, and damaged vehicles. To adjust for inflation, we converted 2000 dollars into 2007 dollars using a gross domestic product price index.

to motorcycle safety training, or media campaigns to encourage drivers to use their safety belts, among other initiatives. More recently, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), authorized a total of nearly \$2.4 billion for fiscal years 2005 through 2009 for traffic safety programs—including over \$1 billion for the Section 402 program and about \$1.3 billion for safety incentive grants that focus on specific national safety priorities, such as alcohol-impaired driving. Some of these grants include eligibility criteria designed to encourage states to pass safety legislation or that target states with certain rates of fatalities to receive additional funds.

NHTSA—located within the Department of Transportation (DOT)—is responsible for overseeing state highway traffic safety programs. It does so by reviewing states' management of state safety programs, as well as by providing training and technical assistance to state safety officials. This approach is designed to ensure that state safety programs have instituted essential planning and management processes for developing a highway safety program that can improve safety. In 2003, we found that NHTSA's 10 regional offices conducted oversight inconsistently—specifically, the regional offices made inconsistent use of management reviews³ and resulting improvement plans that the offices developed for states. We recommended that NHTSA provide specific guidance to its regional offices on when to use these reviews.⁴ We reported that NHTSA's management reviews had commonly found problems with state safety programs. Since NHTSA did not routinely conduct these reviews, however, it was difficult to ensure that states were using federal funds for their intended purpose and in compliance with law. Further, in 2005 SAFETEA-LU added section 412 to 23 U.S.C., which among other things included a requirement that NHTSA strengthen its oversight of state use of federal safety grants by reviewing each state's management of these grants once every three years and making recommendations.

This report addresses your interest in information on how states have used Section 402 safety grants and other approaches currently available to improve safety outcomes and responds to a mandate enacted in

³Management reviews generally involve reviewing a state's operational and financial management, grant projects, and whether states used funds in accordance with requirements.

⁴See GAO, *Highway Safety: Better Guidance Could Improve Oversight of State Highway Safety Programs*, [GAO-03-474](#) (Washington, D.C.: Apr. 21, 2003).

SAFETEA-LU that GAO determine whether NHTSA implemented the changes in its oversight approach that SAFETEA-LU added. Specifically, this report assesses (1) how states have used Section 402 funding to achieve national safety goals, (2) the progress NHTSA has made toward addressing consistency in the management review process, (3) how useful NHTSA's management reviews and recommendations are in improving management of state safety programs, and (4) the approaches currently available to improve safety outcomes.

To assess these issues, we reviewed legislation, guidance, and procedures relevant to NHTSA's oversight of state highway safety grants, including NHTSA's management review process. We interviewed officials with NHTSA headquarters and regional offices and the Governors Highway Safety Association—a nonprofit association representing state highway safety programs. We also conducted site visits to eight states—Arizona, Idaho, Maine, Minnesota, Nevada, Texas, West Virginia, and Wisconsin—to gather state officials' views of NHTSA's oversight, including the management review process, and to discuss how states use Section 402 grants. In addition, we analyzed data provided by NHTSA on how states spent highway safety grants for fiscal years 1999 through 2007, and conducted a content analysis of the recommendations in all management reviews and completed corrective action plans developed in fiscal years 2005 through 2007. We conducted this performance audit from July 2007 through July 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. See appendix I for more details on our scope and methodology.

Results in Brief

According to NHTSA grant data, from fiscal years 1999 through 2007, states directed most of their Section 402 funding toward the leading causes of traffic fatalities and have also used this funding to address state-specific safety problems, many of which reflect national safety priorities. For example, states spent about 54 percent of their grant funding on activities, including traffic enforcement, designed to reduce alcohol-impaired driving and increase safety belt use, the top two factors contributing to traffic fatalities. States directed the remaining Section 402 funding to a variety of safety initiatives, many of which represent national goals but some of which address state-specific safety challenges. For instance, states directed funding to pedestrian and bicycle safety, a

national safety priority, and NHTSA officials told us that some states fund initiatives on driving safely in winter weather conditions—a state-specific challenge. States also used the funding to address other state safety challenges that are not national priorities, such as aggressive driving and safety among young drivers. Officials in the eight states we visited said that Section 402 funding provides flexible and stable support that ensures their ability to address a variety of traffic safety problems. Some officials also noted that Section 402 grants are complemented by incentive grants and that, in combination, these funding sources allow states to expand their core efforts and support innovative traffic safety programs. To address highway safety goals, state highway safety offices typically do not carry out programs themselves; instead, they disperse federal funding to “subgrantees,” which are local agencies and state organizations that implement safety programming. Subgrantees generally include organizations such as state and local law enforcement agencies, fire departments, nonprofit organizations, and advertising agencies. State officials monitor subgrantees by reviewing performance reports documenting the activities implemented with grant funding—for instance, the number of overtime hours worked by law enforcement officers—as well as documentation of the expenses related to these activities.

NHTSA implemented both the Section 412 requirement that it conduct management reviews of states and territories on a 3-year schedule, as well as our recommendation to improve the consistency with which it uses these reviews. However, we found some differences in NHTSA’s documentation of the reviews and in its tracking of state action on the recommendations. During the 3-year period of fiscal years 2005 through 2007, NHTSA conducted 56 of the required 57 reviews. NHTSA also refined its management review guidance for its regional offices to improve consistency and developed a tool—the corrective action plan—to track whether individual states implemented open recommendations emerging from NHTSA’s management review. Despite these improvements, our analysis of NHTSA’s management review reports and corrective action plans filed in fiscal years 2005 through 2007 revealed some differences in the information that NHTSA regional officials included in these documents. For instance, regional officials varied in the content included in the corrective action plans they developed; some plans included information on whether states implemented recommendations, while others did not. As a result, NHTSA cannot use these reports to describe on a national level the extent to which states acted on its advice and further cannot assess the impact of its recommendations to states. During fiscal year 2007, NHTSA initiated several steps that should help with such assessments. For example, NHTSA established a review team to read

drafts of the management review reports to ensure that regional officials make recommendations in similar circumstances. NHTSA also developed additional guidance in response to state concerns regarding the presentation of some material in the management reviews by developing a collaborative working relationship with the Governors Highway Safety Association (GHSA). Specifically, future management review reports will differentiate between “findings” that are compliance-based problems the state is statutorily required to address and “management considerations” that identify improvements to the state’s highway safety program but for which NHTSA cannot require state action.

NHTSA’s management reviews are designed to address fundamental management principles, and state officials with whom we spoke said the reviews are a useful management tool. However, NHTSA does not currently analyze the recommendations on a national level to identify common state challenges—a measure that could help NHTSA direct training and technical assistance to issues having the widest impact on state grant management. We analyzed the content of the reviews and found that NHTSA recommended that most states improve monitoring of subgrantee performance, expenditures, and equipment inventories. Because the structure of the highway safety grant program involves many subgrantees across a state, monitoring these subgrantees helps ensure that funds are used for their intended purpose and for programs that will help the state meet its safety goals. Our analysis also showed that NHTSA recommended to more than half of the states that they spend a higher percentage of the grant funding they receive each year. While states can roll over funds from one year to the next, some NHTSA officials believe spending more would expand the number or scope of safety programs the states implement each year, which could, in turn, improve safety. NHTSA and state officials with whom we spoke had different views on the underlying causes of low expenditure rates: Some NHTSA officials thought that better state planning would allow states to use more grant money each year, while several state officials said that delays in the release of federal funds shorten the number of months the state has to conduct safety programming, which causes the states to roll funds over to the next year. NHTSA has not definitively determined the underlying causes or impact of current state grant expenditure rates, although officials stated that prompt and effective use of these funds is a fundamental expectation.

Finally, to help states reduce traffic fatalities, NHTSA uses several approaches to evaluate state progress toward performance goals and provide expert advice, and Congress has established financial incentives, including grant programs, to encourage states to pass safety legislation

and improve safety outcomes. NHTSA's approaches include (1) evaluations comparing state-established traffic safety goals and corresponding performance measures with data showing the extent to which the states achieved the desired outcomes each year, (2) special management reviews conducted by NHTSA officials in states that have consistently high alcohol-related fatality rates or low safety belt use and lower-than-average improvement in these measures over time, and (3) voluntary technical program assessments in which states elect to participate in a review by independent leading experts of safety issues, including, but not limited to, alcohol-related and unbelted fatalities. In addition to these approaches, Congress encourages states to improve safety outcomes by offering incentive grants to states that pass safety legislation or meet specific performance benchmarks, as well as penalty transfer programs that discourage states from failing to pass certain types of safety legislation.⁵ In recent years, the overall rate of traffic-related fatalities in the United States has decreased. Despite this decreased fatality rate, increases in population and the number of vehicle miles traveled, among other factors, have resulted in the total number of fatalities remaining at about 43,000 per year. Although more time is needed to assess the impact of incentive grants on state performance and determine whether different types of incentives will be needed, refinements to certain aspects of NHTSA's approaches offer opportunities to reduce traffic fatalities. For example, in its recent evaluation of NHTSA's oversight of the highway safety grant program, the Department of Transportation's Inspector General found that states did not always use comparable performance measures in setting goals and reporting outcomes, which reduces NHTSA's ability to effectively analyze states' progress in its annual performance reviews. In addition, our analysis of safety data suggests that some states other than those NHTSA currently targets for special management reviews could benefit from review or technical assistance. Specifically, we found that some states have a consistently high total number of fatalities but are not among those states with the highest rates of alcohol-impaired driving fatalities or the lowest rates of safety belt use. As a result, these states do not meet NHTSA's current criteria for a special management review. To help lower overall

⁵GAO reported in March on NHTSA's incentive grants. See *Traffic Safety: Grants Generally Address Key Safety Issues, Despite State Eligibility and Management Difficulties*, [GAO-08-398](#) (Washington, D.C.: Mar. 14, 2008). We reported in April on high-visibility enforcement: *Traffic Safety: Improved Reporting and Performance Measures Would Enhance Evaluation of High-Visibility Campaigns*, [GAO-08-477](#) (Washington, D.C.: Apr. 25, 2008).

fatalities, states must take advantage of the technical assistance offered by NHTSA regional officials or request a technical program assessment.

To help states improve management of highway safety grants, we recommend that the Secretary of Transportation direct the Administrator of NHTSA to (1) periodically analyze recommendations made in its management reviews to identify common state challenges, (2) periodically assess the extent to which states implemented recommendations and identify barriers preventing states from doing so, (3) identify options to strengthen state monitoring of subgrantees, (4) determine the underlying causes and impact of low grant expenditure rates and identify potential solutions, and (5) identify options to target safety expertise and technical assistance to states with a high number of fatalities. DOT commented on a draft of this report and generally agreed with the analysis and conclusions of this report but disagreed with our draft recommendation that NHTSA evaluate the need to revise its criteria for selecting states for special management reviews to include states that have a high number of fatalities. We revised the recommendation to provide NHTSA with more flexibility to target its technical assistance. DOT did not comment on our first four recommendations. Finally, we incorporated DOT's technical comments throughout the report as appropriate.

Background

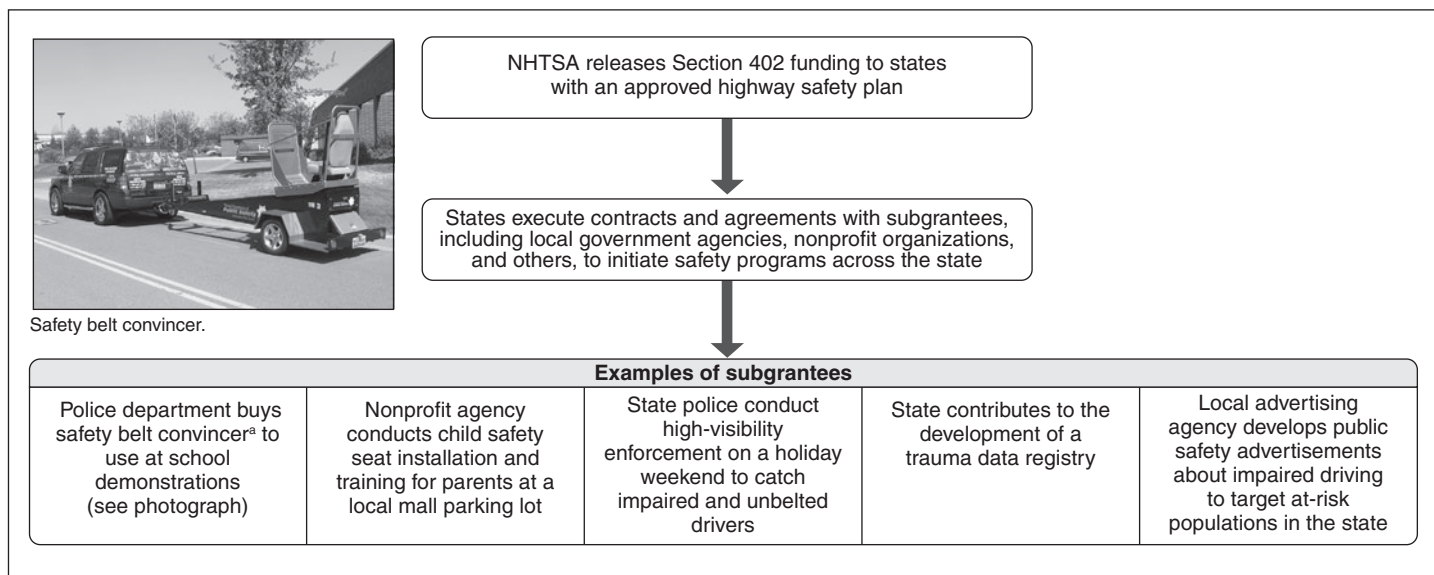
The Section 402 program provides over \$1 billion for fiscal years 2005 through 2009 in federal funding to states⁶ for highway safety programs aimed at reducing traffic crashes and related deaths, injuries, and property damage. Each year, after states submit a highway safety plan to NHTSA that describes how they plan to use Section 402 funding, this funding is distributed to all states according to a formula that accounts for state road miles and population but not differences in safety statistics such as fatality rates among states.⁷ These grants are administered by state highway safety officials who identify traffic safety priorities of greatest importance to

⁶In fiscal year 2007, all 50 states, the District of Columbia, Puerto Rico, Native American Nations, and 4 territories received Section 402 funding. In this report, we use the term "states" to refer to all of the entities that receive Section 402 funding.

⁷The formula includes a minimum apportionment so that all states receive a minimum amount of dollars regardless of road miles and population. Section 402, Title 23 U.S.C., requires most states to provide matching funds of at least 20 percent of the total highway safety program costs, with the exception of states containing certain types of nontaxable federal lands. For these states, matching funds are calculated on a sliding scale and may be less than 20 percent of total highway safety program costs.

their state and select and fund subgrantees to carry out safety programs (see fig. 1). Some states have hundreds of subgrantees, and state subgrantees typically include a variety of different organizations, such as state and local law enforcement agencies, fire departments, nonprofit organizations, and advertising agencies.

Figure 1: Flow of Section 402 Funding from Federal to Local Level



Sources: GAO; Nevada Department of Public Safety (photo).

^aA safety belt convincer aims to demonstrate the importance of wearing a safety belt by simulating the force of a low-speed collision for an individual seated in the convincer.

In fiscal year 2007, states spent over \$203 million in Section 402 funding on traffic safety programs. States may use Section 402 grants to fund a wide range of programs that are designed to improve traffic safety primarily by influencing drivers' behavior and that reflect one of nine national safety priorities established by NHTSA regulation. (See table 1 for a list of the national priorities and examples of programs that address each priority.) States may also use Section 402 funding to support safety issues specific to the state that are not addressed in the national safety goals—for example, winter driving safety in cold-weather states or street racing—if state officials submit supporting information to NHTSA.

Table 1: National Safety Priorities under SAFETEA-LU

National safety priority	Example programs
1. Alcohol- and drug-impaired driving	<ul style="list-style-type: none">• purchase Driving Under the Influence trailer used by police officers to process alcohol-impaired drivers• provide training for police officers on identifying and conducting standardized assessments of alcohol-impaired drivers
2. Occupant protection (safety belt and child safety seat use)	<ul style="list-style-type: none">• pay an advertising agency to develop radio ads that promote safety belt use• pay technicians to educate community members about the proper installation and use of child safety seats
3. Speeding	<ul style="list-style-type: none">• purchase speed radar equipment for local police departments
4. Traffic law enforcement	<ul style="list-style-type: none">• pay police officers to work overtime hours dedicated to stopping impaired drivers
5. Emergency medical services	<ul style="list-style-type: none">• develop a data registry of trauma injuries related to crashes
6. Traffic records data	<ul style="list-style-type: none">• create and maintain statewide database of crash reports
7. Motorcycle safety	<ul style="list-style-type: none">• improve the delivery of motorcycle rider training
8. Pedestrian and bicycle safety	<ul style="list-style-type: none">• provide bicycle safety education and bicycle helmets to elementary school children
9. Roadway safety ^a	<ul style="list-style-type: none">• purchase technical services, computer equipment, and software to help analyze roadway collisions

Sources: NHTSA and selected state highway safety plans.

^aAccording to NHTSA, Section 402 funding for roadway safety initiatives may be used to develop and implement systems and procedures for carrying out safety construction and operation improvements, but may not be used for highway construction, maintenance, or design activities.

While the Section 402 program provides flexible traffic safety funding for states, incentive grants are structured to encourage states to implement specific traffic safety initiatives. In 2005, SAFETEA-LU reauthorized funding for 2 incentive grants related to safety belt use and alcohol-impaired driving and authorized funding for 5 new incentive grants that encourage states to (1) implement legislation governing the use of safety belts, (2) implement legislation governing the use of child safety seats, (3) promote safety training for motorcyclists and increase awareness of motorcyclists among other drivers, (4) improve state traffic safety data systems, and (5) prohibit racial profiling. In fiscal year 2007, states spent over \$191 million in incentive grant funding on traffic safety programs (see table 2). Unlike Section 402 grants, which are distributed to all states, incentive grants require states to meet certain criteria to qualify for the grants. Also, the amount of incentive grant funding a state receives in a given year depends in part on the total number of states receiving the grant.⁸

⁸For more information on incentive grants, see [GAO-08-398](#).

Table 2: State Incentive Grant Expenditures on Traffic Safety Goals in Fiscal Year 2007

Dollars in millions	
Traffic safety goals	State expenditures ^a
Occupant protection (safety belt use)	\$88.8
Alcohol-impaired driving	85.0
Traffic safety data	12.4
Motorcycle safety	2.8
Prohibit racial profiling	1.1
Child safety seat use	0.9
Total	\$191.0

Source: GAO analysis of NHTSA data.

^aState incentive grant expenditures in fiscal year 2007 totaled \$191.1 million. The expenditures in this table do not add up to \$191.1 million due to rounding.

To help ensure that states are managing this highway safety funding efficiently, in compliance with laws and regulations, and in a manner that will effectively address state safety problems, NHTSA oversees state highway safety programs through its national headquarters office and 10 regional offices across the country. Each regional office has jurisdiction over several states. For example, NHTSA's Region 1 office, located in Cambridge, Massachusetts, oversees state highway safety programs in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

NHTSA's oversight approach has evolved over time in response to congressional and state concerns, our recommendations, and NHTSA's own efforts to improve its oversight. According to NHTSA officials, over time, Congress has given NHTSA different levels of oversight authority over state highway safety programs. For example, prior to 1998, NHTSA had the authority to approve or disapprove state spending on specific safety programs, but Congress later removed this authority in response to a congressional and state concern that the program-by-program approval process was too restrictive. In response, NHTSA adopted a performance-based oversight approach in 1998, requiring states to develop performance plans that identify key state safety problems and set goals and performance measures to address these problems. In 2003, we raised a concern that NHTSA's oversight of states was inconsistent across its regional offices and recommended that NHTSA provide more specific guidance to its regional offices on when to conduct management reviews of state highway safety programs and how to measure state progress

toward meeting safety goals. In response to the additional specificity in Section 412 of SAFETEA-LU regarding the scheduling of management reviews and our recommendation, NHTSA made several changes to its oversight approach, including clarifying and revising guidance to regional offices on the processes for conducting regular reviews of state use of grant funding.

Currently, NHTSA's oversight approach includes processes that assess both state management capabilities as well as state performance in meeting safety goals. With respect to assessing state management capabilities, NHTSA regional officials monitor state grant spending throughout the year to determine whether states are expending funds in a timely fashion and to ensure that states are directing funds to the programs identified in their highway safety plans. In addition, regional officials conduct on-site management reviews once every 3 years to assess state operations to ensure efficient administration and effective planning, programming, implementation, and evaluation of the state's highway safety program. After completing the management review, regional officials generally issue the following report to the state containing recommendations for improvement and jointly with state officials develop the following plan for implementing these recommendations. See figure 2 for a summary of NHTSA's Management Review Process.

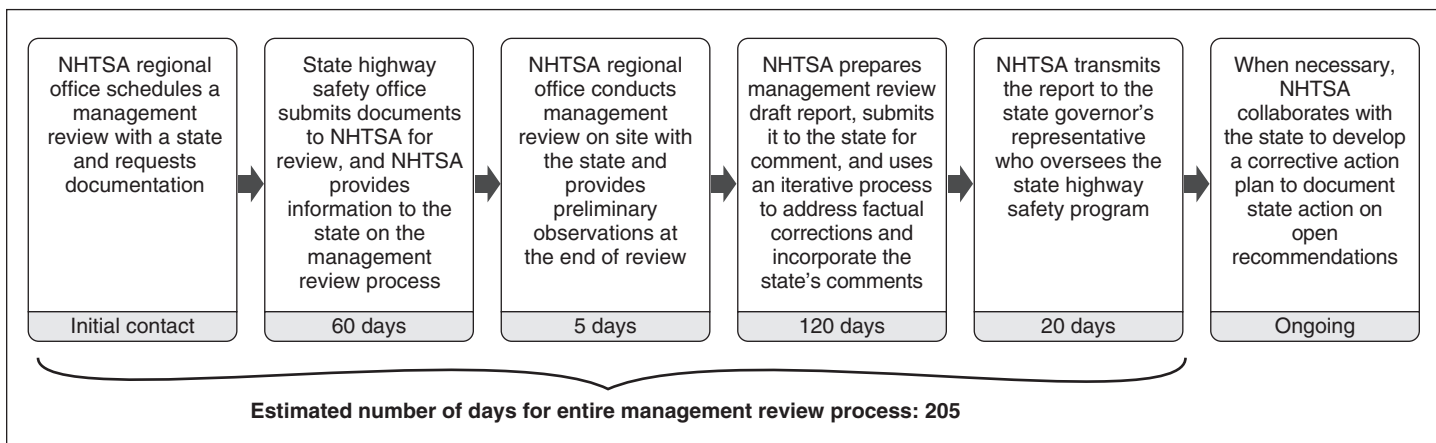
- *Management review reports:* Management review reports document the process NHTSA officials used to evaluate the state's grant management, identify areas in which the state excelled, and summarize NHTSA's recommended improvements to the state on how to more efficiently and effectively manage its grant program. NHTSA's recommendations can require that the state take action if the state is not in compliance with federal or state law, or can present a best practice that, if implemented, may improve management of the grant program or prevent the state from developing a compliance problem in the future.⁹ However, because NHTSA cannot require states to take action on best practice recommendations, they are not binding on the state.
- *Corrective action plans:* When necessary based on the results of the review, NHTSA and the state highway safety office jointly develop a corrective action plan to address open recommendations in the

⁹Beginning with fiscal year 2008 management reviews, recommendations that are compliance related are called findings while those that are best practices are called management considerations. This is discussed later in our report.

management review final report, including tasks to complete the actions, target dates for completion of each task, and status notes indicating state progress on each required action.

As required since SAFETEA-LU, in section 412, Title 23 U.S.C., NHTSA also compiles annual reports that summarize its management review and findings during each fiscal year. These reports, available on NHTSA’s Web site, list some of the most common recommendations.

Figure 2: Summary of NHTSA’s Management Review Process and Estimated Number of Days for Each Stage of Process



Source: GAO analysis of NHTSA guidance.

While NHTSA’s oversight of state grant management helps ensure that states have management processes that are the basis for an effective highway safety program, it uses several additional approaches to assess state performance in improving safety outcomes.

- *Evaluation of state established traffic safety goals with safety outcomes:* To evaluate whether states are improving safety outcomes, NHTSA regional and headquarters officials annually review states’ progress toward safety goals. With input from NHTSA, each state annually establishes its goals and accompanying performance measures, as well as the programs it will fund to achieve these goals in the state’s performance and highway safety plans. NHTSA regional staff review these plans using standard checklists for uniformity in their evaluation. At the end of the year, each state describes the outcomes of its efforts in an annual report, which NHTSA uses to track each state’s progress against the goals the state established and provide feedback to states on the strengths and weaknesses of their programs. NHTSA officials told us that while they have the authority to approve state plans as a whole, they cannot require

states to act on the feedback NHTSA officials offer.

- *Special management reviews:* Each fiscal year, NHTSA headquarters officials compare state performance in two national safety priorities—alcohol-impaired driving and safety belt use—over the prior 3 years with average national performance in these areas over the same time period. For those states that have consistently had below-average safety belt use or an above-average impaired driving fatality rate and less than half of the national average improvement, NHTSA regional and headquarters subject matter experts conduct special management reviews, which involve an in-depth evaluation of a state’s alcohol-impaired driving or safety belt program and result in recommendations for improvement. Regional officials follow up periodically with states to determine whether states have acted on these recommendations; however, because recommendations in a special management review generally do not relate to compliance issues, NHTSA cannot require state action.¹⁰
- *Technical program assessments:* At the request of a state, NHTSA officials told us they will coordinate a technical program assessment to evaluate one particular area of a state’s highway safety program, such as traffic records, motorcycle safety, or emergency medical services, among others. NHTSA facilitates the assessment by bringing together leading experts in a particular program area to evaluate the state’s program against the national highway safety program guideline for that subject. After completing the assessment, these experts produce a final report containing recommendations for strengthening the state’s program. The report is the property of the state, and the state is not bound to implement any of its recommendations.

Finally, NHTSA complements its oversight of states with training and technical assistance for state officials. NHTSA offers formal training through the Transportation Safety Institute in Oklahoma City on a range of highway safety topics, including courses on highway safety program management, financial management, and data analysis and evaluation. Most of the regional officials we spoke with said that NHTSA’s regional offices also provide training for state officials, including some of the highway safety courses offered through the Transportation Safety

¹⁰Following special management reviews, a performance enhancement plan is developed collaboratively between the regional office and the state. This plan details strategies for implementing recommendations, establishes target dates for completion of each recommendation, and contains status notes indicating progress toward meeting each recommendation.

Institute. In addition to offering formal training, NHTSA officials are available to states for technical assistance, which includes support on a broad range of issues. For example, several NHTSA regional officials told us that they share best practices, such as a model policy and procedures manual, between the states in their regions, and other regional officials told us that they provide feedback to states on incentive grant applications. NHTSA headquarters officials provide expert advice to states on the effectiveness of different strategies to address traffic safety problems, such as the relative effectiveness of laws, enforcement, and media campaigns in increasing safety belt use.

States Primarily Direct Section 402 Funding to National Safety Priorities

In recent years, states spent about 54 percent of their Section 402 funding to support safety programs, including traffic enforcement, intended to reduce alcohol-impaired driving and unbelted driving, the primary factors contributing to traffic fatalities and injuries. In addition to addressing these two national safety priorities, states have also used Section 402 funding to address state-specific problems—many of which are also national safety priorities, such as improving pedestrian and bicycle safety, but some of which are not, such as reducing aggressive driving. Highway safety officials in the eight states we visited said that Section 402 funding provides flexible and stable support for a variety of safety programs. Some officials also noted that Section 402 grants are complemented by incentive grants and that, in combination, these funding sources allow states to expand their key safety efforts and initiate innovative safety programs. To address safety goals, state highway safety offices distribute Section 402 funding to local agencies and state organizations, known as subgrantees, that carry out traffic safety programs across the state. State officials also monitor subgrantees to ensure that the funding is used appropriately.

States Use Section 402 Grants to Address the Main Causes of Traffic Fatalities and State-Specific Safety Problems

Since fiscal year 1999, states have directed about 54 percent of their Section 402 funding to traffic safety programs, such as traffic law enforcement, aimed at reducing alcohol-impaired driving and unbelted driving, the leading national causes of traffic fatalities and injuries.¹¹ According to data from NHTSA's Grants Tracking System (GTS), states spent almost \$1.5 billion in Section 402 funding on traffic safety programs for fiscal years 1999 through 2007.¹² As shown in table 3, states spent over half of this funding on three program areas: traffic law enforcement, occupant protection (safety belt use), and alcohol-impaired driving.¹³ According to a NHTSA official, traffic law enforcement is a strategy used primarily to reduce alcohol-impaired driving and increase safety belt use. During this time period, states also targeted Section 402 funding toward other key factors contributing to traffic fatalities by directing about \$37 million to programs aimed at reducing speeding and about \$10 million to programs intended to improve motorcycle safety (see table 3).¹⁴

¹¹According to data provided by NHTSA, alcohol-impaired and unbelted driving are the leading factors contributing to traffic fatalities. For example, from 2000 through 2006, these two factors contributed from about 78 percent to 84 percent of annual traffic fatalities. A NHTSA official noted that there is overlap between these factors, in that many of the people killed in alcohol-related crashes were also unbuckled.

¹²Fiscal year 2007 data are the most current complete fiscal year data available. Because these are budget numbers, we are reporting them in nominal dollars. When evaluating trends in spending over time, we used budget numbers that we inflation-adjusted into constant 2007 dollars.

¹³These percentages may underestimate actual state spending because there is some overlap between program areas. According to NHTSA officials, states may use community traffic safety projects to address any traffic safety goal. For example, states may fund community projects to reduce alcohol-impaired driving but may categorize these activities in NHTSA's Grants Tracking System (GTS) as community traffic safety projects rather than alcohol-impaired driving activities.

¹⁴According to data provided by NHTSA, speeding contributed from 30 percent to 32 percent of annual traffic fatalities from 2000 through 2006. Motorcycles were involved in an increasing percentage of fatal crashes over this time period, from about 7 percent in 2000 through about 12 percent in 2006. According to NHTSA, there is some overlap between speeding and other contributing factors such as alcohol-impaired driving and unbelted driving.

Table 3: Amount and Percentage of State Section 402 Expenditures Directed to Selected Program Areas for Fiscal Years 1999 through 2007

Dollars in millions^a

Section 402 program areas ^b	Amount of 402 expenditures	Percentage of total 402 expenditures	Grouped percentage
Program areas addressing leading causes of fatalities nationwide			54.2
Traffic law enforcement	\$374.0	25.7	
Occupant protection (safety belt use)	218.9	15.0	
Alcohol-impaired driving	197.1	13.6	
Program areas addressing other traffic safety issues			45.8
Community traffic safety projects	\$245.6	16.9	
Planning and administration	84.5	5.8	
Traffic records	79.5	5.5	
Pedestrian and bicycle safety	54.2	3.7	
Roadway safety	53.2	3.7	
Speed control and enforcement	37.4	2.6	
Emergency medical services	30.8	2.1	
Motorcycle safety	10.0	0.7	
Other program areas (11)	69.7	4.8	
Total	\$1,455.1	100	100

Source: GAO analysis of NHTSA data.

^aWe rounded the amount expended in each program area to the nearest hundred thousand.

^bDue to some overlap between program areas in GTS, we collapsed several program areas for our analysis. The occupant protection program area includes two smaller program areas: occupant protection and special occupant protection; the community traffic safety projects program area includes two smaller program areas: community traffic safety projects and Safe Communities; and the speed control and enforcement program area includes two smaller program areas: speed control and speed enforcement.

The three program areas support programs intended to reduce the incidence of alcohol-impaired and unbelted driving. Such programs include overtime hours for police officers dedicated to traffic law enforcement, training for police officers on identifying and assessing drivers who are under the influence of alcohol or other drugs, and media campaigns aimed at increasing safety belt use as well as campaigns targeting populations that are at high risk for driving while impaired by alcohol. Further, states increased the amount of Section 402 funding that they spent on alcohol-impaired and unbelted driving from about

\$95 million in 2007 dollars (54 percent of spending) in fiscal year 1999 to about \$119 million in 2007 dollars (58 percent of spending) in fiscal year 2007. Most noticeably, during this time, states increased the funding that they directed towards traffic law enforcement by about \$23 million in 2007 dollars (a 55 percent increase).

State highway safety officials with whom we spoke said that Section 402 funding provides flexible support that ensures their ability to address a variety of state-specific traffic safety problems, many of which are also national safety priorities. GTS data for fiscal years 1999 through 2007 indicate that, after targeting about 54 percent of their Section 402 funding to alcohol-impaired and unbelted driving, states directed the remaining 46 percent of this funding toward 18 additional program areas.¹⁵ Many of these program areas address national safety priorities such as improving emergency medical services, data from traffic records, motorcycle safety, pedestrian and bicycle safety, and speed control and enforcement (see table 3).¹⁶ In addition, officials in one state told us that they have used some of their Section 402 funding to address state-specific concerns that are not explicitly included in the national safety priorities, including reducing aggressive driving and improving safety among young drivers, and NHTSA officials told us that cold weather states fund winter driving safety initiatives.

Some state highway safety officials noted that incentive grants complement Section 402 funding and that, in combination, these grants allow states to expand their efforts to address key traffic safety problems and to support innovative traffic safety programs. Unlike Section 402 funding, incentive grants are statutorily designed to target specific safety issues and have eligibility requirements that states must meet to receive the funding. In this way, these grants are less flexible than Section 402 grants—for instance, the Motorcyclist Safety incentive grant is designed to fund rider training and driver-awareness educational programs. However, officials in all eight states we visited said they have used incentive grants to expand the core traffic safety activities they fund with Section 402 grants. For example, officials in one of these states told us they have used

¹⁵They also used the funding to pay grant planning and administration costs.

¹⁶As noted earlier in this report, NHTSA's nine national safety priorities, established by rulemaking prior to SAFETEA-LU are: alcohol- and drug-impaired driving, occupant protection, traffic law enforcement activities, emergency medical services, traffic records, motorcycle safety, pedestrian and bicycle safety, roadway safety, and speed control.

incentive grants aimed at improving traffic records to build upon the traffic data programs the state was already supporting with Section 402 funds. Further, officials in two states told us they also use incentive grant funding to support innovative traffic safety programs they would not have been able to support with Section 402 dollars alone. For instance, officials in both states used an incentive grant targeted at alcohol-impaired driving to test and pilot innovative programs such as Driving While Intoxicated (DWI) courts that focus primarily on adjudicating cases involving alcohol-impaired drivers.

States Fund Local Agencies to Implement Safety Programming

State highway safety offices work to achieve safety goals by distributing federal funding to local agencies and state organizations (subgrantees) that implement safety programming. State highway safety offices are designed to provide a link between federal funding and agencies that can implement safety programs, but these offices generally do not carry out programs themselves. Rather, state highway safety offices manage federal funding and grant requirements and develop partnerships with agencies—such as the state highway patrol, local law enforcement agencies, fire departments, nonprofit organizations, and advertising agencies—that have the resources to implement or support safety programming. The Section 402 program requires states to use at least 40 percent of this funding to directly support or for the benefit of political subdivisions, which can include directly funding a local organization to conduct safety programming in its surrounding community or funding the salaries of state patrol officers that provide traffic enforcement services to rural communities that do not have a local police department. Several state officials we spoke with noted that they exceed the 40 percent minimum requirement and distribute higher amounts to local subgrantees.

State traffic safety officials administer the Section 402 program by identifying key state traffic safety problems, developing related safety goals, selecting and funding subgrantees to carry out programs that address these safety goals, and monitoring subgrantees. Highway safety officials are required to use a data-driven process to identify state traffic safety problems and establish performance goals. For example, Nevada's fiscal year 2008 plan identified impaired driving as the most common cause of fatal crashes and established a performance goal of reducing the number of such fatalities to 5.75 per 100,000 people by 2008 (which would be down from 6.31 in 2005). After identifying state safety goals, officials identify potential subgrantees to initiate safety programming that can help the state improve safety outcomes. The states we visited accomplished this by issuing statewide requests for proposals requesting grant

applications, by contacting potential subgrantees directly to encourage them to apply for funding, or by using both strategies. After soliciting grant applications, officials in most of the states we visited used a formal process to evaluate these applications and select subgrantees. Finally, state officials are required to monitor subgrantees' use of Section 402 funding to ensure that subgrantees are using funding in accordance with federal grant requirements and for the activities approved by the state. In all eight states we visited, officials monitored subgrantees by reviewing performance reports documenting the activities implemented with grant funding—for instance, the number of overtime hours worked by law enforcement officers—as well as documentation of the expenses related to these activities.

NHTSA Has Improved the Consistency of Its Management Review Process and Instituted New Processes That Could Help to Assess the Impact of Its Oversight

NHTSA implemented both the requirement that it conduct management reviews of states and territories on a 3-year schedule as well as our recommendation to improve the consistency with which it uses these reviews. NHTSA also refined management review guidance for its regional offices and developed the corrective action plan—a tool to track state implementation of management review recommendations and encourage states to act on NHTSA's advice. Our analysis of management review reports and corrective action plans for fiscal years 2005 through 2007 revealed some differences among the regions with respect to the information the regions included in these documents, as well as how these documents organized information. As a result, NHTSA cannot use these reports to describe on a national level the extent to which states acted on its advice or assess the impact of its recommendations to states. NHTSA recently took steps to respond to state concerns and further improve consistency in the management reviews. These measures should improve the information available to NHTSA for analysis that could further enhance its oversight.

NHTSA Addressed Section 412 Requirements and Our Previous Recommendations to Consistently Use Management Reviews

NHTSA implemented both the Section 412 requirement that it conduct management reviews of states and territories on a 3-year schedule as well as our recommendation to improve the consistency with which it uses these reviews. During the 3-year period of fiscal years 2005 through 2007, NHTSA conducted 56 of the required 57 reviews or about 15 to 20 reviews per year.¹⁷ Each of the 10 NHTSA regional offices performed one or more management reviews per year to ensure it reviewed each state or territory in its region during the 3-year cycle.

NHTSA also refined its management review guidance for its regional offices. This guidance clarified the process each region is to use to initiate, conduct, and publish a final management review report. For example, it requires regional offices to provide to state highway safety offices (1) advanced notice before beginning a management review, (2) information on aspects of the state highway safety program that NHTSA officials would review, (3) a schedule of work, and (4) a list of materials and documents that the state highway safety office would need to provide the NHTSA regional office prior to the review. Some state officials told us that this guidance added clarity and consistency to the management review process, as they knew what to expect and had time to prepare more effectively for the review. NHTSA's guidance also provided its staff with more information on the aspects of the state highway safety office that NHTSA regional staff should analyze during a management review (what NHTSA referred to as "the elements of the review"), including issues related to organization and staffing, program management, and financial management. Lastly, NHTSA provided guidance to its regional offices on developing a draft report to incorporate states' comments and on preparing a final report that addressed all elements reviewed, including issues with compliance, best practices or commendations, recommendations, and other comments. This guidance was designed to ensure that NHTSA's regional offices would provide each state with a final management review report that outlined areas of improvement leading to changes in the state's grant management process and by extension each state's traffic safety program.

¹⁷American Samoa was the only state or territory that did not receive a management review for fiscal years 2005 through 2007. A NHTSA official told us that due to a limited travel budget, the regional office was unable to conduct an on-site management review during those fiscal years. The regional office plans on conducting an on-site visit in fiscal year 2008. American Samoa received \$1.6 million in federal highway safety funding for fiscal year 2007, one of the lowest amounts of funding in the nation.

Finally, NHTSA developed the corrective action plan to address open recommendations in the final management review report. NHTSA regional offices and states jointly develop corrective action plans to identify tasks the state should take to complete actions, target dates for the completion of each task, and status notes indicating progress of each action—as well as any issues preventing states from completing actions—to address the recommendations. NHTSA headquarters officials told us that based on the guidance they provided to regional officials, they expected that each region would produce a corrective action plan to track any open recommendations in the management reviews, including both compliance-based findings and best practice management considerations, although if states were able to address a recommendation prior to the final management review report being issued, regional offices did not need to include it in the corrective action plan.

Despite Increased Consistency in the Use and Implementation of Management Reviews, Regions Provided Varying Information in Recent Reviews

Our analysis of fiscal year 2005 through 2007 management review reports and corrective action plans revealed some differences among the regions with respect to the information the regions included in these reports as well as how these documents organized information. This type of variation makes it more difficult for NHTSA to assess the impact of its oversight and advice to states on a national level. Some regional officials told us there were differences in how their office interpreted NHTSA’s guidance for conducting the management reviews compared with other regional offices. We observed the following differences:

- *Organization and content in the management review reports varied:* Regional officials adopted different approaches to documenting state performance on the management review elements. Some documented information when they identified problems or offered commendations, while others summarized information on each review element, indicating whether the states were achieving a satisfactory level of performance, needed improvement, or had exemplary performance. The number of recommendations also varied greatly among regional offices—for example, one region averaged almost 28 recommendations per review, while another averaged about 10. While this disparity could mean that states in some regions performed worse than states in other regions, it may also indicate that some regions were more stringent in their review than others. We noted, however, that many of the management reviews conducted in fiscal year 2007 more consistently organized information. NHTSA officials explained that in the fall of 2007 it rolled out a new template for the management reviews to improve consistency in report organization and content.

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- *Variation in information summarized from NHTSA's review of subgrantee program documentation:* States must keep documentation of the safety programs performed and expenses of state subgrantees receiving highway safety funding, and NHTSA analyzes this documentation during management reviews. However, we found variation in the extent to which management review reports summarized the outcomes of NHTSA staff's analysis. Some management review reports included a list of programs for which NHTSA officials had examined documentation, but no summary of whether the documentation was adequate. Other reports included several recommendations to the state on how to improve this documentation. A few reviews cited the adequacy of documentation for each program reviewed, noting specific inadequacies or that the program contained sufficient documentation of subgrantee activities and expenses.

Reviewing documentation provided by subgrantees ensures that states and their subgrantees are spending federal funding on allowable costs, in keeping with federal requirements, and that the states have adequate documentation to support expenses. Such reviews can also identify misuse of federal funding. For example, officials from one regional office told us they uncovered a subgrantee embezzling funds during a review of the program's documentation, which led NHTSA officials to contact the state inspector general and other authorities to resolve this issue. The Department of Transportation's Office of the Inspector General (DOT IG) noted in its recent evaluation of NHTSA's highway safety program that several recent cases of false claims for work performed and embezzlement of grant funds resulted in convictions and the recovery of \$119,000 in highway safety grant funding.¹⁸ The DOT IG recommended that NHTSA encourage states to conduct substantive testing of subgrantee grant expenditures to detect fraud, waste, and abuse—testing that NHTSA officials support but also recognize may be difficult for states given limited resources and that most state highway officials are program specialists rather than auditors. Consistent and thorough reporting of the outcomes of the program file reviews that NHTSA conducts during its management reviews would increase state accountability for comprehensively reviewing subgrantee documentation of activities performed and expenses incurred, and NHTSA's revised management review guidance should add consistency to the documentation of project file reviews.

¹⁸U.S. Department of Transportation, Office of the Inspector General, *Best Practices for Improving Oversight of State Highway Safety Programs*, MH-2008-046 (Washington, D.C., 2008).

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- *Recommendations were inconsistently characterized:* Management reviews did not always clearly distinguish between recommendations that addressed instances in which the state program was not complying with laws and regulations and was therefore statutorily required to take remedial actions and recommendations that were management best practices that would improve the state's program but on which NHTSA could not require the state to act. As a result, according to officials in some of the states we visited, state leadership penalized some state highway safety offices because it appeared that the state had multiple compliance problems in the management review report. NHTSA officials stated that they were not made aware of such incidents, and we did not independently confirm these statements. Nevertheless, as discussed in the next section, NHTSA has taken steps to improve the clarity of its management review reports.
 - *Inconsistent use and content of the corrective action plans:* NHTSA inconsistently used its corrective action plans, which it developed to track state implementation of its recommendations and encourage state action. As of March 2008, we found that 38 of the 56 states receiving a management review in fiscal years 2005 through 2007 had a corrective action plan, even though all reviews had recommendations and NHTSA headquarters' expectation was that regional staff would develop a plan any time there were open recommendations.¹⁹ The content of the corrective action plans also varied—for instance, some regions included all of the recommendations from the management review, while others included only some of the recommendations from the management review. In addition, corrective action plans did not always include information on whether states had implemented recommendations.

As a result, NHTSA cannot describe—and we were unable to assess—on a national level the extent to which states are acting on NHTSA's recommendations, some of which require action on compliance issues. Further it cannot assess the impact of these recommendations on states. The DOT IG's evaluation also noted that NHTSA could improve its oversight, among other issues, by implementing a nationwide recommendation tracking system that could improve accounting for the disposition of recommendations to ensure follow-up for unresolved items, and NHTSA agreed to do so. Such information would allow NHTSA to identify how often states implemented its recommendations—both those

¹⁹For 5 of 18 states, corrective action plans were still being developed by March 2008 because the management review had taken place late in fiscal year 2007.

that require action as well as those that NHTSA cannot require states to implement—and, to the extent that states did not act on NHTSA’s advice, NHTSA could identify the barriers that prevented states from doing so.

NHTSA Responded to State Concerns and Further Improved Consistency in the Management Reviews, Improving Information Available for Analysis

NHTSA recently took steps to respond to state concerns and further improve consistency in the management reviews—steps that should improve the information available for analysis that could further enhance NHTSA’s oversight. In 2006, NHTSA began working with the Governors Highway Safety Association (GHSA) to refine how it categorizes recommendations in its management reviews, and NHTSA implemented new guidance in the summer of 2007. Specifically, NHTSA and GHSA collaborated to clearly distinguish between recommendations that NHTSA can require state offices to act on because the state is not in compliance with federal rules or regulations and recommendations that represent a management best practice. NHTSA updated its guidance in July 2007 and now differentiates between “findings” that are compliance-based problems the state is statutorily required to address, and “management considerations” that identify improvements to the state’s highway safety program but for which NHTSA cannot require state action.

In addition to its collaboration with GHSA, NHTSA initiated several new processes related to how regional officials document management review reports and corrective action plans that should help NHTSA address some of the inconsistencies we found in the reports and plans for fiscal years 2005 through 2007. In November 2007, NHTSA trained regional staff on its recently updated management review guidance and introduced new templates associated with the management review process. These templates include initiation letters, close-out letters, and checklists for the review process, among others. NHTSA also established a team to read draft management review reports and ensure that recommendations are made in similar circumstances, that compliance issues include a description and reference to the relevant law or regulation, and that definitions and language are used consistently across the regions. Also, NHTSA’s recent management review guidance indicates that regional office officials should summarize major issues identified during the review of state subgrantee program documentation.²⁰ Several regional officials

²⁰Additionally, NHTSA developed monitoring guidance for regional offices that includes the minimum number of times regional offices should conduct on-site monitoring of states. NHTSA officials believe this will ensure more consistency in the monitoring of grantees outside the management review.

told us they thought these efforts will add more consistency to the management review reports.

NHTSA also updated its guidance on the use of corrective action plans, which are now used when NHTSA identifies compliance-based findings and will not include management considerations. NHTSA plans to track management considerations in separate documents maintained by the regional offices. Specifically, in May 2008, NHTSA officials stated they developed the recommendation action tracking form that regional offices will be able to use to track state action in response to management considerations. Regional officials will follow up with states semiannually to update states' progress. According to NHTSA officials, GHSA and states requested that NHTSA drop management considerations from the management reviews altogether and base the reviews solely on compliance related issues. However, NHTSA officials disagreed, stating that they view NHTSA's role as including responsibility to disseminate best practices, and management considerations allow for this opportunity. In previous reports on similarly structured federal programs, we have recommended that other federal agencies disseminate best practices to state agencies or other grantees receiving federal funds. Additionally, in the long term, action on management considerations may prevent states from having compliance issues.

NHTSA's Management Review Recommendations Address Fundamental Management Principles and Could Be Analyzed at the National Level to Identify Common State Challenges

NHTSA's management review recommendations—both its compliance-based findings and management considerations—address fundamental management principles, and state officials with whom we spoke said the review recommendations serve as a useful management tool and, in some cases, helped them obtain needed resources from state leadership. In the future, NHTSA could use information from the reviews to identify common state problems at a national level and direct resources accordingly. We conducted such an analysis and found that states experienced a number of common challenges such as needing to improve monitoring of subgrantees—an issue the DOT IG also identified in its report as a process in need of strengthening—and spending highway safety grant funding in a more timely fashion. As noted earlier, some of NHTSA's recent initiatives should improve the consistency of information documented in management reviews and corrective action plans. Such improvements could help NHTSA not only assess the impact of its oversight, but also identify common state challenges for which NHTSA may be able to provide additional assistance to states.

NHTSA's Management Review Recommendations Address Fundamental Management Principles, and State Officials Found These Reviews Helpful

In its management reviews, NHTSA recommended actions to improve planning and implementation of programs, strengthen internal controls, ensure compliance with relevant laws and regulations, and address fundamental management principles. These actions are consistent with guidance and evaluation tools from the Office of Management and Budget (OMB) and GAO regarding oversight of federal grants and good management practices.²¹ For example, OMB guidance indicates that a recipient of a federal grant demonstrate that its planning will allow it to make effective use of federal funding. NHTSA's fiscal year 2005 through 2007 management reviews examined several aspects of state highway safety office planning and made several recommendations that states could use to strengthen planning processes—for example, by using data on fatalities and injuries to better target federal dollars to the safety issues that are of greatest significance to the state. In addition, our work on internal controls and other management practices as well as OMB guidance suggests that processes like regular monitoring of the quality of state programs' performance over time, financial management accountability that provides assurances that programs are using funding in the intended manner, and having sufficient levels of well-trained staff to conduct the programs' work, can ensure that programs are run efficiently and effectively. NHTSA's management reviews and recommendations addressed each of these areas, as well as others that our work indicates are necessary for effective programs.

State officials with whom we spoke viewed NHTSA management reviews favorably. They indicated that the recommendations served as a useful management tool and helped them focus on specific areas needing improvement. For example, officials from one state commented that the recommendations identified several ways the state could improve its processes, communication among staff, and monitoring of subgrantees. Officials from another state said that implementing the recommendations improved the state's highway safety program, for example, by recommending they hire a coordinator for youth programs. Officials from two other states noted respectively that the reviews helped the office focus on accomplishing important, basic aspects of their traffic safety program and gave them the "push" to complete projects such as updating their policy and procedures manual. Some state officials also told us that

²¹See, for example, 2 CFR Part 215 (OMB Circular A-110) and OMB Circular A-102 (the Common Rule). Also see GAO, *Standards for Internal Controls in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999); and *Internal Control Management and Evaluation Tool*, GAO-01-1008G (Washington, D.C.: August 2001).

NHTSA sometimes made recommendations to assist the state highway traffic safety office in obtaining resources from state leadership that have authority over the office's budget or staff allocation. For example, NHTSA recommendations helped one state to hire additional staff and assisted another in obtaining funding from state leadership to send staff to training.

Monitoring Subgrantees and Spending Grants in a Timely Manner Were Common State Challenges in Recent Management Reviews

Our analysis of the fiscal year 2005 through 2007 management review recommendations²² indicated that states face several common challenges in managing highway safety programs. These challenges include

- improving monitoring of subgrantees;
- resolving financial management issues such as ensuring that expenses submitted by subgrantees were paid promptly and for the correct amounts or that the state used federal planning and administration funds for staff salaries only when appropriate;
- strengthening planning processes and programming to better address traffic safety risks;
- staffing issues such as clearly defining staff functions and the processes staff should use to perform their roles, as well as providing necessary training and development;
- improving implementation of safety programming, such as ensuring that states have written requirements for subgrantees about how they manage their programs and reports the state expects to receive regarding subgrantee activities and progress toward milestones; and
- spending grant funding in a timely fashion. (See table 4 for a summary of the most common NHTSA recommendations.)

Table 4: NHTSA Recommendations to Address State Challenges for Managing Highway Safety Programs, Fiscal Years 2005 through 2007

State challenge	Number of states and territories receiving the recommendation
Improve monitoring of subgrantees	49

²²These recommendations included findings and management considerations, as NHTSA did not differentiate these recommendations during this period.

State challenge	Number of states and territories receiving the recommendation
Resolving financial management issues such as ensuring that expenses submitted by subgrantees were paid promptly and for the correct amounts or that the state used federal planning and administration funds for staff salaries only when appropriate	48
Strengthen planning processes and programming to better address traffic safety risks	41
Staffing issues such as clearly defining staff functions and the processes staff should use to perform their role, as well as providing necessary training and development ^a	40
Improve implementation of safety programming such as written requirements regarding subgrantees' management of their programs	38
Spend ("liquidate") grant funding in a timely fashion	33

Source: GAO analysis of management review reports.

^aStaff functions and training were separate categories in our analysis, and recommendations were made to 40 states in both categories.

The most common recommendations we observed related to the need for state highway safety offices to strengthen the processes they use to monitor subgrantees. Federal regulations require monitoring of recipients of federal funds, including subgrantees. The DOT IG noted in its recent evaluation of NHTSA's highway safety program that such monitoring helps ensure that funds are being used for (1) their intended purpose, (2) for programs that will help the state meet its safety goals, and (3) in compliance with laws and regulations. Federal highway safety grant funding generally passes through state highway safety offices to local agencies and other subgrantees to implement programs. Because the structure of this grant program involves many organizations across a state, NHTSA often recommended that state highway safety offices develop and execute monitoring processes such as

- tracking and evaluating subgrantee performance, which could include reports on how many citations a local police department issued during overtime enforcement of impaired driving or the number of child safety seats a nonprofit agency installed in the cars of low income families;
- financial accountability, which could include ensuring that subgrantees spent funds on items reviewed and approved by the state highway safety

office and that the costs claimed are supported with documentation; and

- maintenance of inventories of equipment costing more than \$5,000 and purchased with federal funds, which OMB requires.

Some NHTSA regional officials told us that because state highway safety staff perform numerous duties, they can overlook monitoring and documenting subgrantee activities. In addition, some of these officials noted that new state staff often require training in monitoring, which suggests the importance of continual training on these processes. The DOT IG recommended that NHTSA encourage states to conduct comprehensive on-site reviews of subgrantee internal controls over grant expenditures, substantive testing of grant expenditures, or other procedures to prevent and detect fraud, waste, and abuse.

Another frequently made recommendation and one that some NHTSA officials identified as potentially having an effect on state progress toward achieving its safety outcomes, was the need for states to liquidate grant funding in a timely fashion. In its management reviews, NHTSA recommended that 33 of the 56 states and territories reviewed increase the rate at which they spend federal dollars. Our analysis of data from NHTSA's Grants Tracking System, which contains information on state highway safety grant spending, showed that from fiscal year 1999 through 2007, states spent between about 63 percent and 73 percent of Section 402 funding each year. States can carry unused funding into the next fiscal year—for example, states carried over about \$103 million from fiscal year 2007 into fiscal year 2008, which is nearly half of the total Section 402 funds available to states in fiscal year 2007. Some NHTSA regional officials told us that low levels of expenditures indicate that states are not implementing as much safety programming as the states have funding for, which means that each year states could expand their efforts and potentially reduce fatalities, injuries, and crashes beyond what the state is currently accomplishing. Furthermore, according to NHTSA headquarters officials and as included in their recommendations to states in some management reviews, a fundamental expectation of Congress is that funds made available to states will be used promptly and effectively to address the highway safety problems for which they were authorized. Finally, one of the measures NHTSA uses in assessing the effectiveness of a state's highway safety program is whether available program funds are expended on a timely basis or whether funds remain largely unexpended and carried forward into a subsequent year.

Many of the state officials we spoke with recognized liquidation rates as an issue but explained that such delays occur when the federal government operates under a continuing budget resolution, which prevents NHTSA from releasing the full amount of Section 402 funding to the states and in turn delays distribution of the funds to subgrantees. NHTSA officials we spoke with appreciated this concern, and headquarters officials noted that, in addition to delayed passage of appropriation bills, other factors can prevent states from spending the full amount of grants, including states awarding or implementing contract awards late, slow spending by subgrantees, or delayed project starts by subgrantees. Also, officials from some regional offices said that states often do not plan a large enough safety program to spend all of the Section 402 funding each year, regardless of whether a continuing budget resolution is likely, and better planning and management could increase liquidation rates.

Management Review Recommendations Identify Common State Challenges That Could Help Direct Resources

By documenting areas of improvement for each state managing highway safety grants, management review recommendations provide insight into common state challenges. When analyzed systematically at a national level, such information could be used to direct technical assistance and training resources accordingly. Although NHTSA officials stated that they continually review the effectiveness of their recommendations and policies, NHTSA does not currently use the management reviews for this purpose. In its report, the DOT IG made a related observation and recommended that NHTSA develop a process to electronically track recommendations on a national level and provide all regional offices with access to this system to identify solutions for states with similar issues.

As noted, the consistency of the information documented in management reviews and corrective action plans is a current barrier to analyzing problems that occur in many states. For example, regional officials did not consistently categorize similar recommendations—one region's management review classified the need for staff to receive training as a program management issue while another region listed it as a financial management issue, and yet another as an organization and staffing issue—thus making it more difficult to analyze recommendations on a national level. However, the steps NHTSA has recently implemented should improve the information included in the management reviews and corrective action plans developed in the next 3-year period. In addition, several other planned and currently available resources could be used to facilitate an analysis.

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- NHTSA officials told us, and indicated in their response to the DOT IG's recommendations, that they plan to create a compendium of management review recommendations on their intranet that would be searchable by all regional offices. Regional officials could use the compendium to see how other offices addressed challenges similar to ones they encountered—a practice NHTSA headquarters officials thought would improve consistency. If the database included all recommendations (findings and management considerations) from the fiscal year 2008 through 2010 management reviews and information on whether states implemented the recommendations, NHTSA could also use it to analyze recommendations in the database to identify common state problems. As of February 2008, NHTSA was developing such a tracking system but had not yet implemented it.
 - To fulfill a requirement in Section 412, NHTSA currently develops brief summaries of the management reviews that list the common recommendations from each of the three review areas (organization and staffing, program management, and financial management) and has so far completed fiscal year 2005 and fiscal year 2006 summaries. NHTSA's summaries do not include—and Section 412 does not explicitly require—an analysis of the relative importance or potential effect these common problems could have on state programs or how these common issues could inform NHTSA's plans for training, technical assistance, or oversight, which are NHTSA's resources for influencing state programs. NHTSA officials stated that while they try to continually improve their programs, they do not currently use the recommendation summaries for this purpose.
 - NHTSA has a fairly extensive training and technical assistance program for states that includes formal classes on grant requirements, using data to identify safety challenges, and financial management of the grant program. In addition, each region organizes annual conferences to discuss topics like emerging safety issues and innovative programs states are testing. The states we visited all complimented NHTSA's support, and many noted several different areas in which NHTSA staff provided expert advice, including grant management and safety programming. NHTSA could use data from management reviews to efficiently direct some of these information-sharing resources to common challenges that states experience.

NHTSA's Approaches and Existing Financial Incentives Encourage States to Improve Safety, While Refinements Could Further Help States

NHTSA uses several approaches to help states improve their traffic safety outcomes, and Congress has established incentive grants and, under Sections 154(c) and 164(b) to Title 23 U.S.C., penalty transfer programs to encourage states to improve safety. NHTSA provides expert advice to all states through its evaluation of state progress toward safety goals and performance measures established annually by each state, special management reviews for states not making adequate progress in the areas of alcohol-impaired driving and safety belt use, and voluntary technical program assessments for states requesting additional assistance in a variety of areas. Congress also offers financial incentives to improve state safety, including incentive grants that encourage states to pass safety legislation and achieve certain performance benchmarks, as well as penalty transfer programs that shift federal funding from road construction to behavioral safety programs for states that fail to pass safety legislation. However, it is too early to assess the impact of recently established incentive grants on traffic fatalities or to determine whether other types of incentives might be needed. Further, while the national traffic fatality rate has decreased, the number of fatalities has remained fairly constant over the last 10 years, offset by factors such as increases in population and the number of vehicle miles traveled. In addition, the DOT IG found that NHTSA could improve its annual oversight of state performance by encouraging states to use consistent performance measures in their safety plans and annual reports. We also found that some states have a consistently high number of fatalities but do not meet NHTSA's current selection criteria for a special management review. As a result, NHTSA must rely on the states to take advantage of the technical assistance offered by regional officials or to request a technical program assessment. Finally, existing incentive grants do not target states that have low or average fatality rates but high total numbers of fatalities.

NHTSA Provides Expert Advice to Help States Make Progress toward Safety Goals, While Grant Programs Offer Financial Incentives for States to Improve Safety

NHTSA uses three approaches to evaluate state progress toward safety goals and provide states with expert advice to make the best use of traffic safety funding. These approaches are different from NHTSA's management reviews in that NHTSA focuses on aspects of a state's highway safety program that more directly address safety outcomes while management reviews focus on improving grant management processes. Each of NHTSA's performance evaluation processes is designed to target a slightly different group of states and provides a different type of advice.

- *Oversight of state performance:* Each year, NHTSA evaluates the progress all states and territories made toward their established safety goals—such as reducing state traffic fatalities by a certain number—which ensures that

all states receive at least some advice from NHTSA on how to improve their safety programs and outcomes.²³ States develop safety goals annually in their highway safety and performance plans, and NHTSA provides each state with an analysis of state-level traffic safety data, such as fatality rates, safety belt use, and alcohol-related fatalities. NHTSA also shares countermeasures that address safety problems specific to each state—for example, the use of sobriety checkpoints used by law enforcement officers to determine whether drivers are impaired—and provides feedback on state planning with respect to the programs the state plans to fund with its federal highway safety grants. Further, each December, states must submit to NHTSA regional offices an annual report on the previous fiscal year’s program activities and the progress the state made toward achieving its goals. This process allows NHTSA to assess individual state performance in improving safety outcomes and to provide feedback to states on strengths and weaknesses in their programs. However, NHTSA officials told us that while they have the authority to approve state plans as a whole, they cannot require states to act on the feedback NHTSA officials offer unless there is a compliance issue.

- *Special management reviews:* Beyond its annual evaluations, NHTSA targets additional resources toward states not making adequate progress in NHTSA’s priority areas of reducing impaired driving fatalities and increasing safety belt use by selecting these states for special management reviews, which it began implementing in fiscal year 2005.²⁴ NHTSA conducted 30 special management reviews, 2 of which NHTSA officials noted actually combined elements of a special management review and technical program assessment, in the initial 3-year review cycle from January 2005 through September 2007 and, as of June 2008, planned to conduct at least two of these reviews in fiscal year 2008. Special management reviews involve an in-depth evaluation by NHTSA regional and headquarters officials of a state’s impaired driving or safety belt program, including issues related to state leadership and state priorities, issues related to the funding and implementation of individual safety

²³We did not examine NHTSA’s evaluations of the progress made by individual states and territories as part of this study.

²⁴To select states for a special management review, each year NHTSA headquarters officials compare state performance in impaired driving and safety belt use over the prior 3 years with average national performance over the same period. States with alcohol-related fatality rates consistently above the national average or safety belt use rates consistently below the national average that have also shown relatively low levels of improvement over time—defined as less than half of the average national improvement—may be selected to receive a special management review.

projects, program evaluation issues, and legislative issues such as the presence of safety legislation. NHTSA officials indicated that they often identify deficiencies in the state's safety program through these reviews and recommend steps that could improve the state program and potentially the state's safety outcomes. However, NHTSA officials stated that they cannot require the state to act on these recommendations unless there is a compliance issue. NHTSA officials told us that NHTSA pays the cost of these reviews and that they recently formed a team to examine the consistency and effectiveness of the special management review process.

- *Technical program assessments:* NHTSA officials told us that they also coordinate voluntary technical program assessments for any state that wishes to improve its outcomes on specific traffic safety issues. Technical program assessments differ from special management reviews in several ways. First, assessments are available to any state, not just those with high fatality rates related to alcohol-impaired driving and low safety belt use rates, and states must request an assessment—unlike with special management reviews where states are selected for evaluation by NHTSA. Second, assessments bring together leading independent experts in a particular topic area to evaluate the state's program; in contrast, special management reviews are conducted by NHTSA officials with subject-matter expertise. Third, assessments cover a wider range of safety issues, including alcohol-impaired driving, occupant protection (safety belts), occupant protection for children, motorcycle safety, emergency medical services, traffic records, and standardized field sobriety testing.²⁵ Fourth, according to NHTSA officials, states pay most of the costs of the assessments, although in some cases NHTSA pays for a facilitator to participate in the assessment. NHTSA officials and highway safety officials in two of the states we visited noted that these assessment reports carry more authority with state leadership than special management reviews due to their independent nature. However, NHTSA officials noted that they cannot require states to implement the experts' recommendations.

In addition to NHTSA's approaches, Congress designed financial incentives—incentive grants and penalty transfers—to encourage states to improve outcomes by passing safety legislation or meeting performance-based benchmarks. The incentive grants are designed to encourage states

²⁵The Standardized Field Sobriety Test (SFST) is a battery of three tests administered and evaluated in a standardized manner to obtain validated indicators of impairment and establish probable cause for arrest. SFST training programs help law enforcement officers become more skillful at detecting DWI suspects, describe the behavior of these suspects, and present effective testimony in court.

to do both of these things.²⁶ Studies have shown a relationship between strong safety legislation and improvements in safety outcomes—for example, a 2006 NHTSA study²⁷ found that states with primary safety belt laws had much lower fatality rates than all other states²⁸—and the Occupant Protection and Safety Belt Use incentive grants encourage states to pass such legislation by making that legislation one of the criteria for grant eligibility. Similarly, to qualify for the Child Safety and Booster Seat Use incentive grant, states must pass a law requiring any child under the age of 8 riding in a passenger vehicle to be secured in an appropriate child restraint system, with certain height and weight exceptions. In addition, several incentive grants use positive performance-based eligibility criteria to encourage and reward states for achieving certain levels of performance. For example, states that have not passed a primary safety belt law can qualify for the Safety Belt Use incentive grant if the state has achieved a safety belt use rate of at least 85 percent in the 2 preceding calendar years.²⁹ States with very low rates of impaired driving fatalities (an alcohol-related fatality rate of 0.5 or less fatalities per 100 million vehicle miles traveled) can automatically qualify for the Alcohol Impaired Driving Countermeasures incentive grant.³⁰

²⁶The incentive grants include the Occupant Protection, Safety Belt Use, Child Safety and Booster Seat Use, Alcohol Impaired Driving Countermeasures, Motorcyclist Safety, and State Traffic Information Systems Improvement grants.

²⁷C. Liu et al., NHTSA, *States with Primary Enforcement Laws Have Lower Fatality Rates*, DOT HS 810 557 (Washington, D.C., 2006). This study was updated in 2008 and reached the same conclusion, although the difference in fatality rates between states with primary safety belt laws and all other states was smaller.

²⁸Primary safety belt laws allow law enforcement officers to stop a driver for not wearing a safety belt and issue a ticket.

²⁹In addition, states can qualify for a first-time Motorcyclist Safety incentive grant by meeting criteria including achieving a reduction in fatalities and crashes involving motorcycles in the preceding year. However, eligibility for the Occupant Protection grant is not tied to performance outcomes but rather to state action on four of six criteria, for example, establishing a statewide child passenger protection program that includes educational programs on proper safety seat use. Similarly, to be eligible for a first-time State Traffic Information Systems Improvement grant, states must establish a traffic records coordinating committee and a related strategic plan, and certify that the state is using model data elements.

³⁰While the Alcohol Impaired Driving Countermeasures incentive grant targets states with very low fatality rates, it also targets states with very high fatality rates by automatically qualifying the ten states with the highest alcohol-related fatality rates for this grant. For more information, see [GAO-08-398](#).

Congress also uses penalty transfer programs to encourage states to pass other types of safety legislation that are expected to improve safety outcomes. For example, the law requires that a percentage of the state's Federal-Aid Highway program funding be transferred to the state's Section 402 safety program if the state fails to pass an open container law, which prohibits the possession of an open alcoholic beverage container or the consumption of any alcoholic beverage in a motor vehicle.

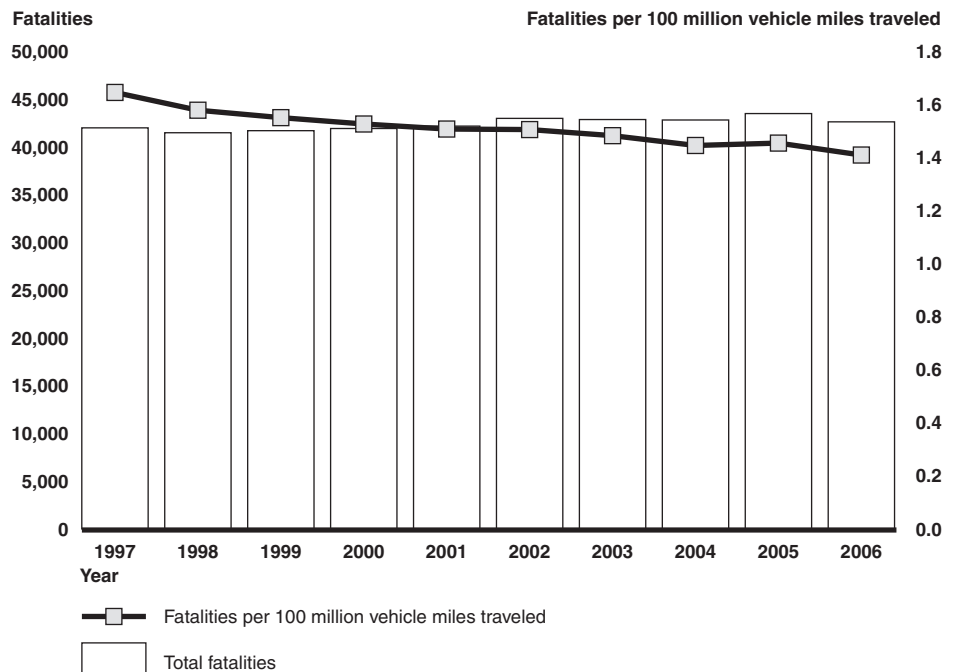
Refinements to NHTSA's Approaches Could Help States Improve Safety, but More Time Is Needed to Assess the Impact of Incentive Grants

While the national traffic fatality rate has declined, the number of traffic fatalities has remained fairly level since 1997, as factors such as increases in population and the number of vehicle miles traveled offset improvements in the fatality rate.³¹ Although NHTSA provides expert advice to states, some opportunity to improve state—and thus national—outcomes such as decreasing fatalities could come from refinements to certain aspects of NHTSA's approaches to reviewing and providing feedback on state performance. For example, a recent DOT IG evaluation of NHTSA's highway safety program identified one opportunity for NHTSA to strengthen its annual review of state safety goals and outcomes—an approach NHTSA uses to ensure that all states receive some feedback on their performance. Specifically, the DOT IG found that states did not always use consistent performance measures between the performance plans that identify annual state safety goals and the annual reports that document state progress toward these goals. For example, the DOT IG noted that none of the 12 performance measures in one state's performance plan carried over to the state's annual report and 9 measures had no measurable targets. According to the DOT IG, the measures that states use in performance plans and annual reports must be comparable for NHTSA to effectively analyze states' progress. To better track state performance, the DOT IG recommended that NHTSA promote the development and adoption of consistent performance measures in state plans and provide guidance to the states to ensure state performance reports include trend lines determining whether the state is on track to meet its highway safety goals. In partnership with GHSA, NHTSA hired a contractor to develop a common set of performance measures that it plans to use to track progress at the national level and encourage states to use these measures as part of highway safety planning.

³¹Calendar year 2006 fatality data is the most current complete year of fatality data available.

Further, fatality data suggest that states other than those meeting the selection criteria for a special management review may benefit from additional technical assistance or review. Specifically, we found that some states have low or average fatality rates but a consistently high number of fatalities over time. From 1997 through 2006, national traffic fatalities per 100 million vehicle miles traveled declined by approximately 14 percent, from 1.65 to 1.41, while the number of fatalities remained fairly level at about 43,000 per year during this time period (see fig. 3) likely due to factors such as increasing population, the number of vehicle miles traveled, and use of motorcycles, among other factors.

Figure 3: Traffic Fatality Rates and Total Number of Fatalities, 1997 through 2006

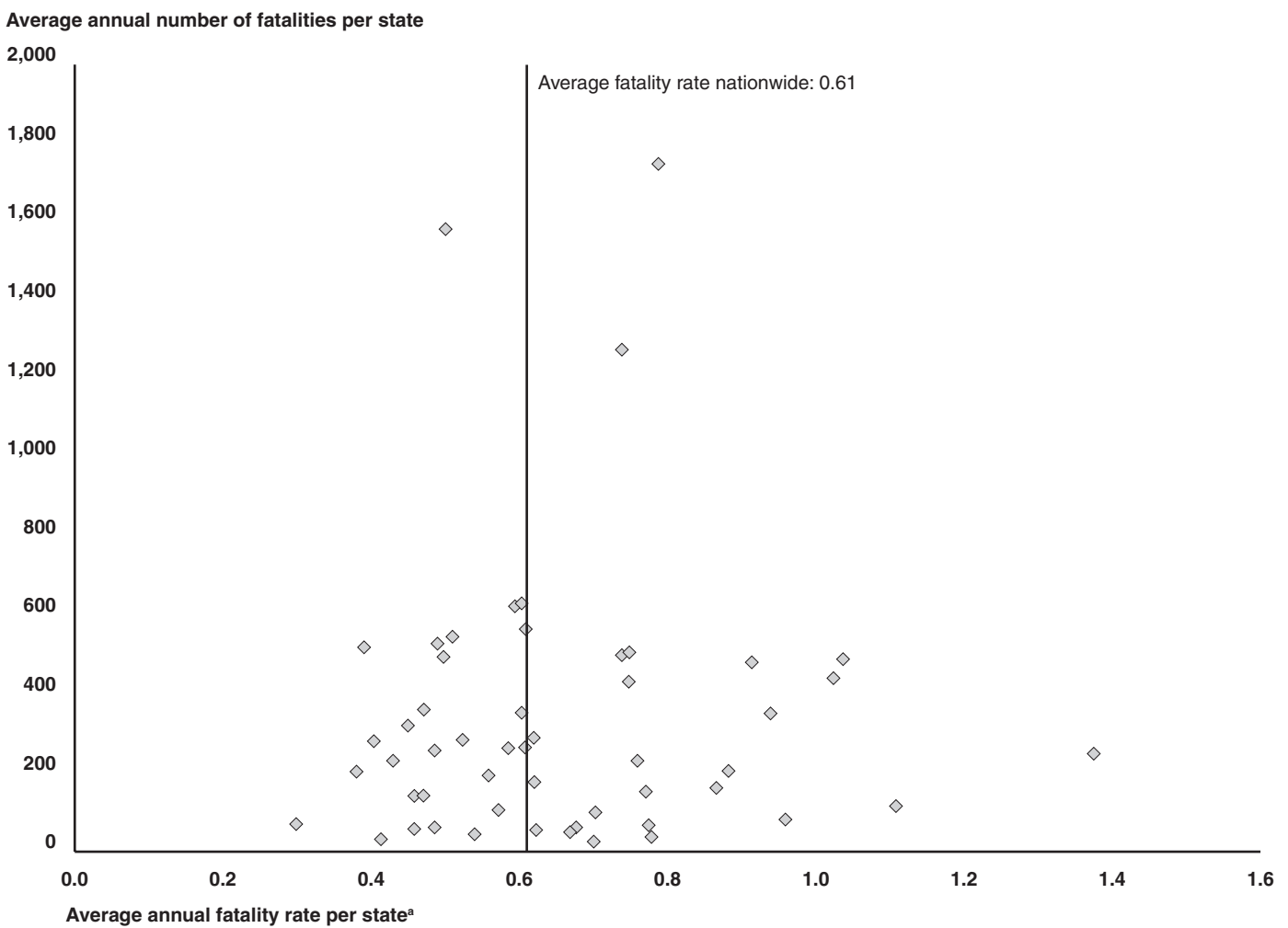


Source: GAO analysis of NHTSA and FHWA data.

On a state level, from 1998 through 2006, 27 states had average alcohol-related fatality rates that were equal to or below the national average of 0.61 fatalities per 100 million vehicle miles traveled. However, despite their low or average fatality rates, 10 of these 27 states had an above-average number of fatalities, or an average of more than 336 fatalities per year. During this time period, these 10 states accounted for a total of more than 55,000 fatalities, or over a third of the number of alcohol-related fatalities nationwide. Figure 4 below compares the average annual alcohol-related

fatality rate per state and average annual number of alcohol-related fatalities per state from 1998 through 2006 and shows that states with relatively low to average fatality rates can have high levels of fatalities.

Figure 4: Alcohol-Related Fatalities—Average Annual State Fatality Rates and Corresponding Average Annual Number of Fatalities, 1998 through 2006



Source: GAO analysis of NHTSA data.

^aThe fatality rate is the number of fatalities per 100 million vehicle miles traveled.

Given the relatively low fatality rates of these states, the high number of fatalities does not necessarily indicate a problem with the state's safety program. For example, many of the 27 states with below-average or

average fatality rates have relatively large populations and, therefore, have a relatively high number of vehicle miles traveled and a relatively high number of fatalities. Specifically, 16 of these states had estimated populations of over 5 million as of July 1, 2006. In addition, NHTSA officials offered the following illustration. From 2000 through 2006, 12,292 people died in Texas and 11,480 people died in California in alcohol-related crashes. Although the number of fatalities suggests these states have similar alcohol-related crash problems, on a per-mile driven basis, Texans were 53 percent more likely to die in an alcohol-related crash than Californians. Neither Texas nor California have met NHTSA's selection criteria for a special management review.

Yet, states with high total numbers of fatalities offer an opportunity to save the greatest number of lives. Targeting these states could provide an opportunity to focus on reducing the total number of fatalities nationwide. Currently, these states receive feedback from NHTSA on their safety programs as a part of NHTSA's annual evaluation of state progress toward its performance goals, and NHTSA regional officials provide technical assistance as part of their oversight activities of states throughout the year. However, these states may not receive an in-depth programmatic review that could identify additional opportunities to reduce fatalities. For example, under NHTSA's current criteria for special management reviews, these states would not be selected for a review.³² In addition, although all states can request a technical program assessment and would receive similar programmatic advice as they would through a special management review, since January 2005, 3 of the 10 states that had an above-average number of alcohol-related fatalities per year requested and received an assessment focused on impaired driving.

Recently established incentive grants primarily target states that take steps to improve safety outcomes either by passing legislation that research indicates improves safety outcomes or by achieving high levels of safety performance. However, current incentive grants are not specifically designed to target states with low or average fatality rates but high numbers of fatalities. In addition, these incentive grants have been in effect since October 2005, and it is too early to determine whether they will be effective in significantly improving state safety outcomes. Initial

³²We analyzed data over 9 years to show general patterns over time. However, as noted above, NHTSA examines alcohol-related fatality data in 3-year intervals and compares performance during these intervals to performance in the base year prior to these intervals.

state responses to these incentives have varied. As we reported earlier this year, a number of states have been unable to pass the safety legislation necessary to qualify for incentive grants.³³ In addition, some have yet to pass legislation that would allow them to avoid penalty transfers of funding from state road construction to traffic safety. At the end of 2007, about half of the states had passed primary safety belt laws, and about one-fourth of the states had passed child safety and booster seat laws.³⁴ Seven of the eight states we visited had not passed primary safety belt laws—attributed by officials in one state to the political climate and the opposition of key legislators.³⁵

Further, some states are still working to obtain incentive grants based on performance. For example, according to a NHTSA official, 5 states qualified for the Safety Belt Use incentive grant in fiscal year 2008 by achieving an 85 percent safety belt use rate in 2006 and 2007.³⁶ In addition, officials in several of the states we visited as well as officials from GHSA noted that fewer states may qualify for grants like the Alcohol Impaired Driving Countermeasures incentive grant in the future because the performance and programmatic criteria that states must meet become more stringent over time. While a number of incentive grants provide resources to states achieving high levels of performance, the Alcohol Impaired Driving Countermeasures incentive grant also provides funding to the ten states with the highest alcohol-related fatality rates.³⁷

Conclusions

Through its positive working relationship with states and GHSA and its own initiatives for continuous improvement, NHTSA has made considerable progress in improving the consistency of its oversight of state highway safety programs. Our analysis of the recommendations NHTSA made in its fiscal year 2005 through fiscal year 2007 management reviews

³³For more information, see [GAO-08-398](#).

³⁴For more information, see [GAO-08-398](#).

³⁵Texas was the only state that had a primary safety belt law in effect at the time of our visit. However, after our visit, Maine passed a primary safety belt law.

³⁶Beginning in fiscal year 2008, states can qualify for the Safety Belt Use incentive grant either by passing a primary safety belt law or by achieving a safety belt use rate of at least 85 percent in the two preceding calendar years. According to a NHTSA official, in fiscal year 2008, only 1 new state qualified for this grant by passing a primary safety belt law.

³⁷For more information, see [GAO-08-398](#).

showed that NHTSA focuses on fundamental management principles that can improve state management of highway safety programs. However, our analysis also showed that states experienced several common problems, some of which, if left unaddressed, could produce negative consequences such as lost equipment or misuse of federal funds. A periodic analysis of these recommendations on a national level could help NHTSA direct its training, technical assistance, and oversight to issues that could have the widest impact on improving state programs. Furthermore, a periodic analysis of the extent to which states acted on NHTSA's recommendations would help NHTSA to evaluate the impact of its recommendations and identify barriers that prevent states from taking action to improve management of their programs. NHTSA has worked to continually make improvements to its oversight of states, including recent steps to further improve the consistency of information available about its recommendations. A more systematic analysis of this information would likely enhance these efforts.

Our analysis of NHTSA's recent management review recommendations identified several common challenges that states experienced during the initial 3-year cycle of management reviews—challenges that NHTSA could address in the near future. For example, the most common recommendation addressed the need for states to improve monitoring of subgrantee performance, expenditures, and equipment inventories—an issue the DOT IG also noted in its report and one that has the potential to prevent and detect misuse of federal funds. In addition, because the structure of the highway safety grant program involves many subgrantees across a state, monitoring these subgrantees helps ensure that funds are used for their intended purpose and for programs that will help the state meet its safety goals. NHTSA also frequently recommended that states increase the amount of grant funding states spend each year, an action that some NHTSA officials believe might contribute to improving safety outcomes by expanding the number or scope of safety programs the state implements each year. Making the best use of federal funding as possible each year can help to improve safety outcomes, and identifying the underlying causes of current liquidation rates as well as strategies to help states improve could accomplish this.

Finally, our review found that states are directing Section 402 program and incentive grant funding primarily toward the two leading causes of fatalities in car crashes, and NHTSA takes an active role in providing oversight and technical assistance to help states achieve safety-related performance goals. However, the total number of fatalities has remained at about 43,000 for the last 10 years, and achieving further reductions in

fatalities could be challenging as the national rate of traffic fatalities already declined by 14 percent during this period. NHTSA currently conducts special management reviews for states having the highest rates of fatalities related to alcohol-impaired driving and lowest rates of safety belt use, and all states can request that NHTSA coordinate a technical program assessment. However, because some states with a high total number of fatalities may not meet NHTSA's selection criteria for a special management review and may not elect to participate in an assessment, these states may not receive an in-depth programmatic review that could identify additional opportunities to reduce fatalities. In addition, current incentive grants do not specifically target these states, although these states may be eligible for incentive grants based on other criteria.

Recommendations for Executive Action

We recommend that the Secretary of Transportation direct the Administrator of NHTSA to take the following five actions:

- Periodically analyze, on a national level, all recommendations made to states to identify common challenges and areas in which NHTSA may need to focus its oversight or states may need additional help, such as training or technical assistance.
- Periodically assess the extent to which states have implemented NHTSA's recommendations, and, when states have not, identify the barriers that prevent states from doing so and alter the type or focus of future recommendations as needed.
- Identify options, such as new guidance or training for states, to strengthen state monitoring of subgrantee performance, activities, and expenditures.
- Develop a working group with GHSA and state highway traffic safety offices as appropriate to identify the reasons for low annual rates of grant expenditures and solutions that could help address these challenges.
- Identify options to target safety expertise and technical assistance to states with a high number of fatalities that would not qualify for a special management review.

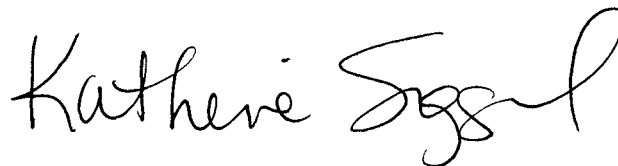
Agency Comments and Our Evaluation

We provided a draft of this report to the Secretary of Transportation (DOT) for review and comment. On behalf of DOT, the Senior Associate Administrator, Traffic Safety Control, provided comments via e-mail. DOT officials generally agreed with the analysis and conclusions of this report

but disagreed with one of our draft recommendations—that NHTSA evaluate the need to revise its criteria for selecting states for special management reviews to include states that have a high number of fatalities. While DOT officials agreed that directing resources and technical assistance to states that have high numbers of fatalities represents an opportunity to save the greatest number of lives, they did not agree that conducting special management reviews would be the best way to do so. Specifically, DOT officials stated that special management reviews are initiated based on evidence that a state’s program area performance is deficient, which is not necessarily the case for states with high numbers of fatalities. We continue to believe that these states would benefit from additional technical assistance or review and revised our recommendation to provide NHTSA with flexibility to determine the best approach to target expertise and technical assistance to these states. We revised our draft recommendation in this area accordingly. DOT did not comment on our other four recommendations. DOT also provided technical comments, which we incorporated as appropriate throughout the report.

We are sending copies of this report to interested congressional committees, the Secretary of Transportation, and the Administrator of NHTSA. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or siggerudk@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix II.



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Physical Infrastructure Issues

Appendix I: Objectives, Scope, and Methodology

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) added Section 412 to Title 23 U.S.C., which among other things included a requirement that GAO analyze the effectiveness of the National Highway Traffic Safety Administration's (NHTSA) oversight of traffic safety grants and usefulness of the NHTSA's advice to states on the management of safety programs. In addition, as the federal government prepares to reauthorize highway safety programs, the Senate Committee on Commerce, Science and Transportation and the House Committee on Transportation and Infrastructure asked us to provide information on how states have used Section 402 safety grants and how NHTSA oversees state progress under these grants. To address these issues, we examined (1) how states have used Section 402 funding to achieve national safety goals, (2) the progress NHTSA has made toward addressing consistency in the management review process, (3) how useful NHTSA's management reviews and recommendations are in improving management of state safety programs, and (4) the approaches currently available to improve safety outcomes.

To address each of our objectives, we reviewed relevant legislation, rule making, and guidance and conducted interviews with key officials. Specifically, we interviewed NHTSA officials from headquarters and the 10 regional offices, as well as officials from the Governors Highway Safety Association (GHSA), a nonprofit association representing state highway safety programs, to gather their perspectives on these issues. To obtain insight from state officials on our objectives, we conducted site visits with eight traffic safety departments in Arizona, Idaho, Maine, Minnesota, Nevada, Texas, West Virginia, and Wisconsin and interviewed state highway traffic safety staff as well as two to three state subgrantee recipients of NHTSA's highway traffic safety funding in each state. We chose these states based on several criteria, including states that had (1) a management review in 2005 or early 2006, (2) varying amounts of Section 402 grant funding and incentive grants that added to their overall safety grant funding, and (3) different geographic areas and NHTSA regions. See table 5 below for a summary of these criteria.

Appendix I: Objectives, Scope, and Methodology

Table 5: States Visited and Key Selection Criteria

State	Date of last management review (2005 or early 2006)	Amount of Section 402 grant funding received in fiscal year 2006 (rank)	Incentive grants received in fiscal year 2006^a	Geographic area/ NHTSA region
Arizona	July 2005	\$3,497,557 (21)	Alcohol-Impaired Driving Motorcyclist Safety Traffic Data	Western/Region 9
Idaho	February 2005	\$1,296,592 (42)	Alcohol-Impaired Driving Motorcyclist Safety Traffic Data	Pacific Northwest/ Region 10
Maine	June 2005	\$1,073,507 (43)	Alcohol-Impaired Driving Child Safety Seats Motorcyclist Safety Traffic Data	New England/Region 1
Minnesota	February 2005	\$4,327,252 (16)	Alcohol-Impaired Driving Motorcyclist Safety Traffic Data	Great Lakes/Region 5
Nevada	August 2005	\$1,507,235 (37)	Alcohol-Impaired Driving Motorcyclist Safety Traffic Data	Rocky Mountain/ Region 8
Texas	March 2006	\$15,070,584 (2)	Alcohol-Impaired Driving Motorcyclist Safety Safety Belt Use	South Central/ Region 6
West Virginia	August 2005	\$1,443,924 (40)	Alcohol-Impaired Driving Child Safety Seats Motorcyclist Safety Prohibiting Racial Profiling Traffic Data	Mid Atlantic/Region 3
Wisconsin	January 2005	\$4,332,858 (15)	Alcohol-Impaired Driving Motorcyclist Safety Traffic Data	Great Lakes/Region 5

Alcohol-Impaired Driving = Alcohol-Impaired Driving Countermeasure Incentive Grants
 Child Safety Seats = Child Safety and Child Booster Seat Incentive Grants
 Motorcyclist Safety = Motorcyclist Safety Grants
 Prohibiting Racial Profiling = Racial Profiling Prohibition Grant
 Safety Belt Use = Safety Belt Performance Grants
 Traffic Data = State Traffic Safety Information System Improvement Grants

Source: GAO.

^aAs a part of our selection criteria, we focused on whether states had received incentive grants that had been added or significantly changed by SAFETEA-LU. However, we did not include in our criteria the incentive grant to prohibit racial profiling in fiscal year 2006 because so few of the states that met our initial criteria of having a management review in 2005 or 2006 received this grant.

We complemented our discussions with officials from NHTSA, the states, and GHSA with additional methodologies specific to each of the objectives. To determine how states have used Section 402 funding to achieve national safety goals, we analyzed data from NHTSA's Grants Tracking System (GTS) on state Section 402 and incentive grant

expenditures from fiscal years 1999 through 2007. Specifically, we used the data to determine the percentage of Section 402 funding that states spent on individual safety goals over fiscal years 1999 through 2007 and looked for changes in spending patterns over this time period. Prior to our analysis, we reviewed NHTSA's technical documentation related to GTS and assessed the reliability of this data by interviewing NHTSA headquarters officials as well as highway safety officials responsible for entering data into GTS in the 8 states we visited, and we found that GTS data was reliable for the purposes of our report.

To assess the progress NHTSA has made toward addressing consistency in the management review process, we reviewed prior GAO reports on NHTSA's oversight of states, NHTSA's 2004 report to Congress on changes to the management review process, NHTSA's guidance for carrying out management reviews, and templates NHTSA developed for written products produced during the review process. We also reviewed NHTSA's management review schedule to determine the approximate number of reviews completed yearly and the total number completed. In addition, we reviewed 56 management review reports representing reviews conducted in fiscal years 2005 through 2007 to assess the consistency of these reports with respect to organization and content. We also reviewed the 38 corrective action plans available as of March 2008 to determine how often regional offices developed these plans, the number of management review recommendations included in the plans, and the extent to which the plans included information on whether states had implemented NHTSA's recommendations.

To determine how useful management reviews and NHTSA's recommendations are to improving state safety programs, we reviewed GAO reports and Office of Management and Budget (OMB) publications related to oversight of federal grants, internal controls, and management principles related to running efficient and effective grant programs. We compared the management principles in these documents to NHTSA's guidance on the elements that should be examined in a management review to assess whether the management reviews address fundamental management principles established by GAO and OMB. In addition, we conducted a content analysis of 56 management review reports from fiscal years 2005 through 2007 to determine the total number of recommendations that NHTSA made to states over this time period and assess whether there were commonalities in the recommendations that NHTSA made across states. With respect to liquidation rates, we used data from GTS to identify the average rate at which states liquidated Section 402 funding from 1999 through 2007. We also reviewed NHTSA's

summaries of the management reviews conducted in fiscal years 2005 and 2006 and summarized information from NHTSA's corrective action plans to determine the extent to which these tools had been used consistently by the regional offices.

To describe the approaches NHTSA uses to improve safety outcomes, we reviewed NHTSA's procedures for (1) conducting special management reviews; (2) annual evaluations of state highway safety plans, performance plans, and annual reports; and (3) technical program assessments. We also reviewed the criteria NHTSA uses to select states for special management reviews and the schedule for conducting these reviews and technical program assessments over the last 3 years. Finally, we analyzed data provided by NHTSA on state performance with respect to the total number of alcohol-related fatalities and fatality rates as well as the number of unbelted fatalities and fatality rates from 1998 through 2006.

We conducted this performance audit from July 2007 through July 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, other key contributors to this report were Cathy Colwell (Assistant Director), Caitlin Croake, Colin Fallon, Joah Iannotta, Bert Japikse, Thomas James, Thanh Lu, Grant Mallie, SaraAnn Moessbauer, and Nitin Rao.

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