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SPECIAL REPORT

FLEET MANAGEMENT

AUDIT OVERVIEW

The 1,100 Miles Monthly Minimum Utilization Requirement for State-Owned Vehicles Is at a Cost-Efficient Level, and the Benefits of Increasing It Would Be Offset by Disapproving Justified Purchases of Vehicles.

It Is Important That All State Spending Units Comply With the FMD Rule on Guidelines for Proper Management of Motor Vehicles.

State Agencies Are Allocating Four-Wheel Drive Vehicles to Areas of the State That Receive Significant Snowfall; However, a Number of Vehicles Are Questionably Assigned to Administrative and/or Executive Offices Within Most Agencies Reviewed.

The West Virginia Division of Motor Vehicles Does Not Have Adequate Management Controls in Place to Ensure State Agency License Plates Are Only Issued to the Appropriate Entities.



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WEST VIRGINIA LEGISLATIVE AUDITOR

PERFORMANCE EVALUATION & RESEARCH DIVISION

Building 1, Room W-314
State Capitol Complex
Charleston, West Virginia 25305
(304) 347-4890

Aaron Allred
Legislative Auditor

John Sylvia
Director

Keith Brown
Senior Research Analyst

Richard Anderson
Research Analyst

Daniel Kanner
Referencer

Note: On Monday, February 6, 2017, the Legislative Manager/Legislative Auditor's wife, Elizabeth Summit, began employment as the Governor's Deputy Chief Counsel. Most or all the actions discussed and work performed in this report occurred after this date. However, the Governor's Deputy Chief Counsel was not involved in the subject matter of this report, nor did the audit team have any communications with her regarding the report. As Deputy Chief Counsel, the Legislative Auditor's wife is not in a policy making position within the Executive Branch. Therefore, the Performance Evaluation and Research Division does not believe there are any threats to independence with regard to this report as defined in A3.06.a and A3.06.b of the Generally Accepted Government Auditing Standards. Furthermore, the Legislative Auditor has instructed the Director of Performance Evaluation and Research Division to document and discuss any issues he believes are a threat to the division's independence with the President of the Senate and the Speaker of the House due to Ms. Summit's position.

CONTENTS

Executive Summary 7

Issue 1: The 1,100 Miles Monthly Minimum Utilization Requirement for State-Owned Vehicles Is at a Cost-Efficient Level, and the Benefits of Increasing It Would Be Offset by Disapproving Justified Purchases of Vehicles 13

Issue 2: It Is Important That All State Spending Units Comply With the FMD Rule on Guidelines for Proper Management of Motor Vehicles 21

Issue 3: State Agencies Are Allocating Four-Wheel Drive Vehicles to Areas of the State That Receive Significant Snowfall; However, a Number of Vehicles Are Questionably Assigned to Administrative and/or Executive Offices With Most Agencies Reviewed 29

Issue 4: The West Virginia Division of Motor Vehicles Does Not Have Adequate Management Controls in Place to Ensure State Agency License Plates Are Only Issued to the Appropriate Entities 39

List of Tables

Table 1: West Virginia State Vehicle Operational Cost Analysis..... 14

Table 2: Vehicles With the Highest Operating Cost Per Mile..... 16

Table 3: State Vehicle Monthly Utilization Analysis..... 18

Table 4: Analysis of Vehicle Utilization of Non-Reported Vehicles..... 22

Table 5: WVU Decommissioned Vehicles with Final Mileage under 80,000 24

Table 6: Sample of 2018 Model Sedans and SUVs Available on the Statewide Contract for Vehicles..... 30

Table 7: Four Wheel Drive Vehicle Allocation Analysis for Select Agencies by County Snowfall..... 32

Table 8: Four Wheel Drive Vehicles Allocation by Level of Snowfall for Evaluated Agencies..... 33

Table 9: Department of Health and Human Resources Allocation of Four-Wheel Drive Vehicles to High-Snowfall Counties..... 34

Table 10: Percentage of Four-Wheel Drive Allocations to Kanawha County by Evaluated Agencies 35

Table 11: State Police Four-Wheel Drive Vehicles Kanawha County Allocations to Administrative and/or Executive Sections 36

Table 12: Non-Governmental Entities That Received State Vehicle Plates 41

List of Figures

Figure 1: Photograph of Corrosion on Underutilized Vehicles From West Virginia University 26

Figure 2: Thirty-year Average Annual Snowfall in West Virginia by County 31

List of Appendices

Appendix A: Transmittal Letters.....47
Appendix B: Objectives, Scope and Methodology51
Appendix C: West Virginia Legislative Services Legal Opinion.....55
Appendix D: Agency Responses63

EXECUTIVE SUMMARY

This special report on fleet management is authorized under Chapter 4, Article 2, Section 5 of *West Virginia Code*. The objective of the audit was to evaluate the management of the State's vehicle fleet. The audit's findings and conclusions are highlighted below.

Frequently Used Acronyms in This Report:

BCF – Bureau for Children and Families

CCAP – Coalfield Community Action Partnership Inc.

CPM – Cost per mile

DHHR – Department of Health and Human Resources

DJS – Division of Juvenile Services

DMV – Division of Motor Vehicles

FMD – Fleet Management Division

GSA– U.S. General Services Division

NOAA – National Oceanic and Atmospheric Administration

PERD – Performance Evaluation and Research Division.

PSD – Public Service District

WVU – West Virginia University

Report Highlights:

Issue 1: The 1,100 Miles Monthly Minimum Utilization Requirement for State-Owned Vehicles Is at a Cost-Efficient Level, and the Benefits of Increasing It Would Be Offset by Disapproving Justified Purchases of Vehicles.

- The Legislative Auditor concludes that the 1,100 monthly minimum miles is an efficient utilization standard for state vehicles, as long as commuting mileage, when applicable, is excluded from the rate.
- State vehicles driven 900 miles or less per month cost \$0.96 per mile compared to \$0.56 per mile for vehicles driven between 1,100 and 1,300 miles per month.

- PERD finds that 63 percent of the state-owned vehicles reviewed either meet or exceed the monthly minimum utilization rate.

Issue 2: It Is Important That All State Spending Units Comply With the FMD Rule on Guidelines for Proper Management of Motor Vehicles.

- PERD found 603 vehicles with no utilization information available owned by 18 state agencies that were not reporting utilization information to the FMD.
- Only 54 of the vehicles reviewed met the utilization requirements.
- WVU decommissioned 31 vehicles between 2011 and October 2017 that had been driven fewer than 80,000 miles.

Issue 3: State Agencies Are Allocating Four-Wheel Drive Vehicles to Areas of the State That Receive Significant Snowfall; However, a Number of Vehicles Are Questionably Assigned to Administrative and/or Executive Offices Within Most Agencies Reviewed.

- The Legislative Auditor concludes that snowfall and terrain are being taken into consideration when allocating four-wheel drive vehicles; however, the allocation of four-wheel drive vehicles to high-snowfall counties can be improved.
- DHHR has not allocated any four-wheel drive vehicles in the following three counties that receive significant snowfall: Braxton, Gilmer, and Grant.
- PERD finds that 181 of the 436 four-wheel drive vehicles (42 percent) in Kanawha County are assigned to administrative or executive offices of the agencies reviewed.

Issue 4: The West Virginia Division of Motor Vehicles Does Not Have Adequate Management Controls in Place to Ensure State Agency License Plates Are Only Issued to the Appropriate Entities.

- Legislative Services' attorneys determined that West Virginia Code §17A-3-23 does not allow for vehicles owned by non-governmental entities to be issued special plates designated for state, county, or municipal vehicles.
- PERD identified 25 instances where the DMV approved the issuance of state agency plates to non-governmental entities.
- Seven affidavits were submitted by representatives of non-governmental organizations and were approved by the DMV, despite being certified by individuals who did not represent the State of West Virginia.
- The DMV acknowledged that state vehicle license plates were issued to non-government entities. These organizations incorrectly received the green state plates, according to the Commissioner, because they qualified for an exemption from paying sales tax and

registration fees.

PERD's Response to the Fleet Management Division's Written Response

The Fleet Management Division agrees with recommendations 1, 3, and 4 and stated that it had no comment on recommendations 5 through 7, since those recommendations do not affect it. The FMD did however, take issue with recommendation 2 in Issue 1, which states, "Commuting mileage should not be considered part of the monthly utilization calculation for compliance with the Fleet Management Rule." The FMD contends that, "The IRS considers commuting to be for a bona fide business purpose, thus if an employee is commuting from his or her home to a workplace, there must be a legitimate business reason for that use...." The FMD provided as an example, an employee who works in a public safety capacity and is "on call" 24 hours a day. As an "on call" employee, the employee is assigned a state vehicle to drive to and from work, in case he or she needs to respond to an emergency, but the FMD qualifies its example by stating:

However, if on any given day there is no emergency to respond to, the employee would go to a regular workplace. If this recommendation is adopted, the miles traveled to the regular workplace would be excluded from a minimum monthly mileage calculation. If there are no emergencies to respond to outside of normal business hours in a particular month, the employee would likely be well below the minimum monthly mileage threshold. The failure to meet the minimum monthly mileage threshold alone, in this situation, should not be the deciding factor in whether an "on call" employee is assigned a state vehicle. If an employee's job duties include responding to emergencies around the clock, then the use of a state vehicle helps the employee fulfill those duties and is a bonafide business reason to have the vehicle readily available at the employee's residence. For this reason, it would make sense to include all business miles (including commuting miles) in a minimum monthly mileage calculation.

The Legislative Auditor agrees with the FMD that, in this example, use of a state vehicle would be considered a bona fide business reason for allowing the employee to commute to and from his or her workplace. In fact, *IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits* identifies public safety vehicles as "Qualified nonpersonal use vehicles" or vehicles that, "the employee isn't likely to use more than minimally for personal purposes because of its design." Other types of vehicles that meet this definition include: ambulances, hearses, delivery trucks with seating for the driver plus a folding jump seat, passenger and school buses, tractors, and specialized trucks, such as bucket trucks and dump trucks. The Legislative Auditor, therefore, agrees to amend recommendation 2 to state:

*Commuting mileage should not be considered part of the monthly utilization calculation for compliance with the Fleet Management Rule, **except for qualified nonpersonal use vehicles.***

However, the Legislative Auditor does not agree with the FMD's overall assessment that commuting mileage should be included in the utilization calculation in all instances. The FMD's position on this recommendation contradicts the utilization requirement in the Fleet Management Rule, which states:

To ensure proper utilization and to justify the size of the state's fleet, state-owned vehicles must meet an annual average minimum monthly mileage of 1,100, less any commuting miles [emphasis added].

So, the FMD's statement in its response to this report conflicts with its own rule. As the Legislative Auditor stated in the Post Audit Division's Statewide Fleet Study from 2017, including commuting mileage in the utilization calculation would cause the business usage of a vehicle to be inflated, thus increasing the perceived fleet needs of the State.

Furthermore, the FMD's assertion also conflicts with the definition of commuting as personal use as defined in the agency's rule and the IRS' regulations. It is incorrect for the FMD to state that: "[p]ersonal miles are distinguished from community miles by the Internal Revenue Service...." In its January 2014 *Fringe Benefit Guide*, the IRS differentiates between business and personal use of a vehicle and explicitly states that **business use does not include commuting**. The IRS goes on to provide as an example of personal use, "[c]ommuting between residence and work station." The Fleet Management Rule, meanwhile, defines commuting as, "*the use of a state vehicle by an employee who has been assigned a state vehicle, whether permanent or temporary, to drive to and from the employee's home and regular place of employment.*" As the FMD also points out in its response, the Fleet Management Rule disallows the use of a state vehicle for personal use. Since the IRS considers commuting to be personal use and the Fleet Management Rule mirrors IRS regulations, the Legislative Auditor concludes that the FMD is erroneous in its argument concerning recommendation 2, and therefore, the recommendation is consistent with established policy.

PERD's Response to the Other Agencies' Written Responses

In addition to the FMD, PERD transmitted draft copies of the report to the other 17 agencies specifically identified in the report and received responses from the Division of Highways (DOH), Division of Natural Resources, Concord University, Fairmont State University, and West Virginia University. The full responses can be found in Appendix D. Except for the DOH, all the agencies responded that they have taken steps to improve their reporting of utilization data to the FMD and have begun submitting requests for exemptions from the minimum utilization requirement for essential vehicles that are underutilized.

The DNR and three universities that responded also state that the unique nature of their organizations require them to have a high number of underutilized vehicles. In the case of the DNR, the Director cites the need for special-use vehicles across its three sub-sections (Parks and Recreation, Wildlife Resources, and Law Enforcement Sections) of the agency. The Legislative Auditor concurs with the DNR's assessment of its fleet needs and acknowledges that the agency has a significant number of vehicles that qualify for an exemption to the minimum utilization requirement. If it has not already done so, the DNR should apply for exemptions for these vehicles since most if not all would qualify under one of exemption categories under the Fleet Management Rule.

As for the universities, all three stated that the size and terrain of their campuses necessitate that they have vehicles to transport people and goods from building to building. The president of Fairmont states, "We respectfully submit that using mileage as the *only* variable to gauge proper usage is unfair and inappropriate measurement to determine utilization." Fairmont's President concludes by suggesting that it be exempt from the utilization requirement all together. The fleet coordinator for Concord makes a similar recommendation, by suggesting that a "*graduated utilization criteria be*

developed that takes into consideration the size, mission, and location of the varying types of state agencies.” WVU meanwhile contends that it should be allowed to operate on a lower utilization requirement because it provides maintenance and service to its vehicles inhouse and thus it operates its vehicles at a lower cost than most other state agencies. None of the universities provided data or research to support their claims and all three only began tracking vehicle utilization in 2017.

The Legislative Auditor does not support the idea of granting agency-wide exemptions to the minimum utilization requirement. The Fleet Management Rule takes special circumstances into consideration by providing six specific types of exemptions. If the universities can justify the need for the vehicles based on those categories, then they should apply for them. Furthermore, as PERD points out in Issue 2, many of these vehicles are significantly underutilized (see Table 5). As PERD’s analysis shows, vehicles that are underutilized have much higher costs per mile. The universities should analyze their fleet needs and look for alternatives to owning vehicles that will be significantly underutilized. As Fairmont’s president points out, one such alternative would be to use smaller, less expensive vehicles, such as utility side-by-sides, if the vehicles are limited to use on campus.

Both the DNR and DOH took exception to PERD’s use of snowfall in the four-wheel drive allocation analysis in Issue 3, stating that their agencies need for four-wheel or all-wheel drive was based on operating in off-road and other types of rough terrain. The Legislative Auditor recognizes that both agencies work in conditions, in addition to high snowfall, that require the need for four-wheel drive. In the DNR’s case, the Legislative Auditor has no issue with the agency’s allocation of four-wheel drive vehicles. As for the DOH, the report simply points out that the agency has a disproportionate number of vehicles in Kanawha County and that 64 vehicles assigned to administrative entities is likely unjustified given that four-wheel drive vehicles generally are more expensive than standard sedans. The agency provided no evidence to support its allocation, and the DOH’s fleet-related policies, which PERD reviewed in its last report on fleet management, did not contain a policy on how the agency determines when and how vehicles will be allocated. Recommendation 5 in this report is that agencies consider the job responsibilities of the employees or units that vehicles will be assigned to when purchasing vehicles with special features that increase the purchase price such as four-wheel drive. DOH has not shown that it has done such an analysis, so the recommendation and the conclusions drawn from that analysis remain unchanged in the report.

Recommendations

- 1. The monthly minimum miles of 1,100 should remain the utilization standard for efficient fleet management.*
- 2. Commuting mileage should not be considered part of the monthly utilization calculation for compliance with the Fleet Management Rule, except for qualified nonpersonal use vehicles.*
- 3. If a state agency cannot meet the minimum utilization requirement, then it should consider alternatives for its employees’ travel, such as: pool vehicles, rentals, and reimbursing employees for use of a personal vehicle.*

4. *State agencies should regularly review their fleet's utilization data and work with the Fleet Management Division to identify and dispose of underutilized vehicles that are not mission critical.*
5. *West Virginia state agencies should consider the job responsibilities of employees or units that vehicles will be assigned to when purchasing vehicles with special features that increase the purchase price such as four-wheel drive.*
6. *The Committee on Government Organization and Operations should consider requesting the DMV Commissioner to provide a statement detailing the additional management controls the agency is establishing to prevent state vehicle license plates being issued to non-governmental entities.*
7. *The Legislative Auditor recommends that the DMV require an approved vehicle request form from the FMD as part of the confirmation process for the title and registration of West Virginia state vehicles.*

ISSUE 1

The 1,100 Miles Monthly Minimum Utilization Requirement for State-Owned Vehicles Is at a Cost-Efficient Level, and the Benefits of Increasing It Would Be Offset by Disapproving Justified Purchases of Vehicles.

Issue Summary

At the request of the Legislative Auditor, the Performance Evaluation and Research Division (PERD) evaluated state vehicle utilization data to determine:

- 1) if the average cost per mile for operating state-owned vehicles exceeds the reimbursement rate (currently \$0.545 per mile) for use of a personal vehicle for state business; and
- 2) if the minimum 1,100 miles per month utilization standard, as established under the Fleet Management Rule, is at an efficient level.

As Table 1 shows, vehicles driven significantly below the minimum monthly utilization threshold (1,100 miles) have a relatively high cost per mile when relevant costs of the vehicle are considered, such as the purchase price, routine maintenance, repair and fuel expenses. The average cost per mile continues to drop even at average monthly miles significantly above the current monthly minimum. A clear advantage exists to the State in encouraging alternatives for employee travel, when possible, for state business instead of having vehicles driven under 900 miles per month. However, raising the monthly minimum miles from its current level would have marginal efficiency gains that would likely be offset by disapproving justifiable purchases of state vehicles. Therefore, the Legislative Auditor concludes that the minimum utilization is an efficient standard, as long as the mileage is based on business miles and excludes commuting or personal miles.

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Table 1
West Virginia State Vehicle Operational Cost Analysis

Average Monthly Miles Driven	Number of Vehicles	Average Time in Service (Years)	Average Cost Per Mile (CPM)*	CPM Marginal Difference	Average Total Operating Cost**	Average Purchase Price
Less than 900	183	6.5	\$0.96	---	\$9,989	\$22,292
901-1,100	167	6.1	\$0.59	\$0.37	\$12,626	\$22,262
1,101-1,300	225	5.2	\$0.56	-\$0.03	\$11,967	\$23,016
1,301-1,500	230	4.5	\$0.58	\$0.02	\$12,667	\$23,778
1,501-1,700	192	4.3	\$0.55	-\$0.03	\$13,740	\$24,731
1,701-1,900	135	3.5	\$0.55	\$0.00	\$12,133	\$24,097
1,901-2,100	100	3.5	\$0.51	-\$0.04	\$13,097	\$24,388
2,100-2,300	68	3.1	\$0.51	\$0.00	\$12,364	\$24,211
Over 2,300	138	2.5	\$0.49	\$0.02	\$12,186	\$24,105

Source: PERD analysis of FMD's Life of Vehicle Report. Data accessed January 24, 2018.

*Cost does not include finance and insurance expenses, as these data are unavailable. Also, the analysis does not estimate depreciation.

**Cost includes accident repairs, maintenance repairs, oil and lube, tires, wash and polish, and FMD's management fees.

A Utilization Standard Is a Key Component of a Fleet Management Program to Encourage Essential and Efficient Use of State Vehicles.

Since vehicles are expensive and frequently purchased pieces of equipment, spending units must ensure that the expense of owning and operating a vehicle is justified. Utilization is a measure of frequency in which a state vehicle is driven and can be used as a benchmark to determine and justify the need for a vehicle. The standard should take into consideration the amount of travel or the frequency of use over a given period. The Fleet Management Division (FMD) has established minimum mileage criteria for all state vehicles in *W.V. Code of State Rules §148-6.2.1* which states, "To ensure proper utilization and justify retention in the state fleet, state owned or leased vehicles must be utilized a minimum of 1,100 miles monthly...."¹ The Fleet Management Rule is, therefore, based on the idea that a vehicle's primary purpose is for the transportation of people and/or goods. By meeting the utilization requirement, spending units demonstrate that they will drive their vehicles frequently enough to justify the expense of owning them. Ideally, a

By meeting the utilization requirement, spending units demonstrate that they will drive their vehicles frequently enough to justify the expense of owning them.

¹ Under *W. Va. Code of State Rules §148-3-1.1*, a state vehicle is defined as a vehicle with a rating of one ton or less that is owned or possessed by any state spending unit, but does not include all-terrain vehicles (ATVs) or vehicles requiring a commercial driver's license to operate.

utilization standard should be tied to the spending units mission, expected or typical usage, and cost of operating the vehicle. If the spending unit cannot justify the cost, it can look to alternatives such as renting vehicles or reimbursing employees for the use of their personal vehicles.

The State's requirements are in line with federal fleet utilization guidelines. The U.S. General Services Administration (GSA), the agency that sets the fleet management standards for federal agencies, has a minimum utilization guideline of 3,000 miles a quarter or 12,000 miles a year for sedans (or 10,000 for light-duty trucks) in the federal government's fleet. The GSA's minimum utilization is a guideline rather than a requirement because GSA recognizes that, "*An agency must be able to justify a full-time vehicle assignment.... Other utilization factors, such as days used, agency mission, and the relative costs of alternatives to a fulltime vehicle assignment, may be considered as justification where miles traveled guidelines are not met.*" West Virginia's minimum utilization requirement of 1,100 miles is slightly stricter than GSA's recommendation, requiring an additional 300 miles be driven a quarter or 1,200 more miles be driven annually. The Director of the FMD indicated that the 1,100-mile standard was established prior to his employment with the State. He did not know how his predecessor determined that 1,100 miles was sufficient, but he did acknowledge that it is within fleet management industry standards.

West Virginia's minimum utilization requirement of 1,110 miles is slightly stricter than GSA's recommendation, requiring an additional 300 miles be driven a quarter or 1,200 more miles be driven annually.

The State's Current Monthly Minimum Utilization Standard Is at a Cost-Efficient Level.

PERD analyzed the cost for owning and operating state vehicles on a per mile basis to determine the efficiency of the current minimum monthly utilization standard. The audit team benchmarked the results of the analysis against the current \$0.54 reimbursement rate for use of a personal vehicle for state business under the State's Travel Management Rule. The Legislative Auditor determined to use the reimbursement rate, since reimbursing employees for using their own vehicles is one alternative to owning a state vehicle. The analysis was limited to the 1,438 vehicles in FMD's database that had both maintenance and fueling data provided in the system and were not exempt from the minimum monthly utilization requirement by the FMD. As of January 2018, the number of exempt state vehicles was 1,671.² To determine the cost of operating a vehicle above and below the current minimum utilization rate, PERD including the following costs:

² In addition to the 1,671 vehicles that meet the definition of a state vehicle under the Fleet Management Rule, a combined 96 medium and heavy-duty trucks and buses were granted exemptions. PERD did not follow-up with FMD to determine why it issued exemptions to vehicles that do qualify as state vehicles, thus do not need an exemption.

- purchase price,
- fuel,
- regular and accidental maintenance and repairs,
- oil and lube,
- tire replacement, and
- car washes.³

As Table 1 previously indicated, vehicles that meet the monthly minimum utilization standard have an operational cost of \$0.56 per mile, which is in line with the Travel Management Rule’s \$0.55 reimbursement rate for use of personal vehicles. However, the cost per mile (CPM) drops to \$0.49 as the monthly miles increase to 2,300. For vehicles that are driven 900 miles or less per month, the cost per mile is significantly higher at \$0.96. It should be noted that there are three extreme values in the category of “Less Than 900 Miles.” The data for these three vehicles are shown below in Table 2. The CPM for these vehicles are outliers, and if they are excluded from the “Less Than 900 Miles” category, the CPM would drop from \$0.96 to \$0.86, which is still significantly higher than the CPM for the other monthly mileage categories. PERD retained these extreme values in the analysis because they epitomize the inefficiency of purchasing vehicles that will be driven infrequently. Although the three vehicles listed in Table 2 are significantly underutilized, PERD cannot conclude that they are unjustified. Agencies with vehicles that will be driven below the 1,100-monthly mile standard are required to request an exemption from the FMD if the need for the vehicles is justified. PERD found no evidence that the agencies requested or received an exemption from the FMD for these vehicles.

For vehicles that are driven 900 miles or less per month, the cost per mile is significantly higher at \$0.96.

**Table 2
Vehicles With the Highest Operating Cost Per Mile**

State Agency	Purchase Price	Make and Model	Number of Months in Service	Odometer Reading	Average Monthly Mileage	Cost Per Mile
Protective Services	\$27,547	2017 Ford Explorer	13	3,368	259	\$8.70
Veterans Home	\$28,845	2013 Dodge Grand Caravan	60	3,136	52	\$8.52
Division of Natural Resources	\$26,165	2016 Ford F-350	17	5,667	333	\$5.09

Source: PERD Analysis of FMD’s Life of Vehicle Report. Data accessed January 24, 2018.

³ Costs not included are insurance and financing (loan repayment). The Board of Risk and Insurance Management, the agency that insures the State’s property, does not set its rates based on individual items such as a vehicle, therefore PERD did not include insurance as a cost factor. Financing data were unavailable from the FMD.

Sixty-Three (63) Percent of State Vehicles Meet the Minimum Utilization Requirement of 1,100 Miles a Month.

To determine the sufficiency of the vehicle utilization standard, PERD first determined the utilization rate for all the state vehicles listed in FMD's database to see what percentage of state vehicles meet the minimum required monthly mileage. PERD obtained vehicle utilization data from FMD in January 2018 of all vehicles in its database. In total, the FMD's database contained 8,719 vehicles. PERD reviewed the vehicle data and calculated the average monthly utilization rate for the 4,417 vehicles⁴ that met the following criteria:

- rated one ton or less (excluding all-terrain vehicles),
- purchased new and in service for a minimum of one year, and
- have not been exempt from the minimum utilization requirement by the FMD.

PERD excluded vehicles over one ton, since they do not meet the definition of a state vehicle under the Fleet Management Rule. PERD excluded used vehicles because the FMD's database does not differentiate between miles accumulated by a previous owner and those of the current owner. One year was considered the minimum timeframe for calculating the utilization rate. Vehicles that are exempt from the minimum utilization requirement were excluded because the FMD considered them justifiable.

As a result, PERD found that most of the State's vehicles meet or exceed the monthly minimum requirement. Using data from the FMD's database, PERD calculated the average monthly utilization for each vehicle by dividing the number of miles from the most recent odometer reading by the number of months the vehicle has been in operation. PERD found that the average utilization rate of all vehicles reviewed was 1,534 miles a month, which exceeds the Fleet Management Rule's 1,100 miles requirement by 434 miles. Furthermore, as Table 3 shows, 2,769 (63%) of the state-owned vehicles reviewed either meet or exceed the monthly minimum utilization rate. Ideally, all state vehicles would meet the minimum utilization requirement (or be exempt from the requirement if applicable); however, 1,651 vehicles (37%) average less than 1,100 miles. Of those, 279 averaged between 1,000 and 1,099 miles, which leaves 1,369 (31%) vehicles with an average utilization rate below 1,000 miles.

PERD found that the average utilization rate of all vehicles reviewed was 1,534 miles a month, which exceeds the Fleet Management Rule's 1,100 miles requirement by 434 miles.

⁴ FMD is required to track vehicle data on all vehicles owned and operated by the State with a vehicle rating of 1 ton or less; however, the database also contains equipment trailers and heavy-duty trucks. The audit team removed these vehicles and vehicles that did not have purchase prices listed in the database or that operate on hourly rather than mileage basis.

Table 3
State Vehicle Monthly Utilization Analysis

Average Monthly Utilization (in miles)	Number of vehicles	Average Time in Service (Years)	Average Odometer Reading (in miles)
Fewer than 900	1,111	9.4	56,919
901-1,100	540	6.8	81,439
1,101-1,300	639	5.8	82,910
1,301-1,500	608	5.2	87,220
1,501-1,700	468	4.8	90,059
1,701-1,900	352	4.2	89,813
1,901-2,100	242	4.1	97,903
2,100-2,300	159	3.7	97,284
Over 2,300	298	3.3	123,855

Source: PERD Analysis of FMD's Life of Vehicle Report. Data accessed January 24, 2018.

By comparing the number of vehicles in each mileage range with the average number of years in service, as shown in Table 3, PERD's analysis indicates that most of the State's vehicles that fail to meet the minimal utilization rate are vehicles that were kept in service for a relatively long time. Vehicles with a monthly utilization rate of 900 miles or fewer have been in service for nearly a decade or more, and average around 6,055 miles annually; whereas, those with the highest utilization rates have been in operation for around three years and have an annual utilization rate of 37,532 miles. The vehicles that are right at or slightly above the minimal requirement (the 1,101 to 1,300 range) have an annual average utilization rate of 14,295 miles. For comparison, the average number of miles driven in the United States is 16,550.⁵

Based on PERD's analysis, the Legislative Auditor concludes that the 1,100 monthly minimum miles is an efficient utilization standard for state vehicles, as long as commuting mileage, when applicable, is excluded from the rate. Commuting, as defined by the Fleet Management Rule, is the use of a state vehicle by state employees to drive to and from their homes and offices. Under the Internal Revenue Service, commuting is considered a taxable fringe benefit, which requires commuters to track their personal mileage and calculate the value of that mileage as reportable income on their W-2 forms. PERD was unable to consider commuting in its analysis since most agencies do not adequately track their employees' commuting mileage. As the Legislative Auditor's Post Audit Division discussed in a May 2018 report on statewide fleet commuting, state entities are not adequately tracking commuting miles or properly

Vehicles with a monthly utilization rate of 900 miles or fewer have been in service for nearly a decade or more, and average around 6,055 miles annually.

⁵ Source: U.S. Department of Transportation, Federal Highway Administration, Office of Highway Policy Information. Average annual miles statistic as of March 29, 2018.

reporting the taxable fringe benefit for employees using state vehicles for commuting. In that report, the Legislative Auditor recommended agencies require employees with a justifiable commuting purpose to track their personal mileage separately from their business miles. In addition to that recommendation, **the Legislative Auditor recommends that commuting miles be excluded from the minimum monthly utilization calculation for compliance with the utilization standard.**

PERD's Utilization Rate Calculation Supports the Post Audit Division's Similar Finding in a 2017 Report on State Vehicle Utilization

PERD's analysis shows the percentage of state vehicles that meet the minimum utilization requirement has increased since the Legislative Auditor's Post Audit Division released a similar analysis in a November 2017 report of state vehicle utilization, but the two agencies methodologies for calculating the rate are significantly different. Post Audit reported that 47 percent of 5,868 state vehicles were meeting the monthly minimum requirement, which is 16% less than what PERD found. The difference between the findings is largely a result of the number of exempt vehicles and PERD's more limited scope of vehicles that meet the definition of state vehicles under the Fleet Management Rule. At the time of Post Audit's report, 396 vehicles were exempt to the utilization requirement, versus the 1,671 vehicles excluded in PERD's analysis; a difference of 1,275 vehicles. Furthermore, Post Audit based its analysis on all vehicles in the FMD's database; whereas, PERD only included vehicles that fit the definition of a state vehicle under the Fleet Management Rule, hence Post Audit's universe of vehicles included 5,868 vehicles and PERD's was reduced to 4,417. Finally, PERD used the average monthly utilization rate per vehicle, whereas Post Audit calculated its rate based on the number of vehicles that met the requirement in a six-month period (i.e. vehicles that were driven 6,600 miles in six months). Both methodologies are acceptable and the results are similar.

Conclusion

An effective and efficient fleet management program requires state agencies to compile, monitor, and analyze vehicle utilization data, to ensure the agency has the appropriate number of vehicles in operation. As this analysis shows, vehicles that are underutilized have higher costs per mile than vehicles at or above the minimum monthly threshold. Although there are a sizable number of underutilized vehicles in the state

The Legislative Auditor concludes that the 1,100 monthly minimum miles is an efficient utilization standard for state vehicles, as long as commuting mileage, when applicable, is excluded from the rate.

At the time of Post Audit's report, 396 vehicles were exempt to the utilization requirement, versus the 1,671 vehicles excluded in PERD's analysis; a difference of 1,275 vehicles.

fleet, the FMD has determined that they are justified or state agencies continue to operate them despite the low utilization. Since September 2016, the FMD began to receive exemption requests for underutilized vehicles, and it has been working with agencies to identify and dispose of underutilized vehicles. With the clarification of the FMD's authority and its efforts to gain agency compliance, the State of West Virginia should achieve cost savings in the reduction of the number of vehicles it possesses and in the elimination of vehicles that are unduly expensive to operate. Moreover, state agencies have several other options to owning a state vehicle if they cannot meet the utilization standard and do not qualify for an exemption. These options include utilizing pool vehicles for use by multiple employees; renting vehicles through FMD or through the statewide contract for rental vehicles; or, reimbursing employees for use of a personal vehicle.

In appropriate circumstances, it would be cost-effective to reimburse state employees for the use of their personal vehicles for business purposes than to purchase new vehicles that will be significantly underutilized.

Recommendations

1. *The monthly minimum miles of 1,100 should remain the utilization standard for efficient fleet management.*
2. *Commuting mileage should not be considered part of the monthly utilization calculation for compliance with the Fleet Management Rule, except for qualified nonpersonal use vehicles.*
3. *If a state agency cannot meet the minimum utilization requirement, then it should consider alternatives for its employees' travel, such as: pool vehicles, rentals, and reimbursing employees for use of a personal vehicle.*

ISSUE 2

It Is Important That All State Spending Units Comply With the FMD Rule on Guidelines for Proper Management of Motor Vehicles.

Issue Summary

Many state agencies that formerly considered themselves exempt from the FMD guidelines on fleet management began complying with the guidelines in late 2016 due to legislative clarification that the guidelines are imposed on all state spending units. Since limited information was available on agencies that were not reporting vehicle utilization data to the FMD, prior to 2016, PERD surveyed these agencies to obtain this information. PERD received information on 926 vehicles that were not reported to the FMD by 18 agencies. Of these vehicles, 603 had no utilization data available. Of the remaining 323 vehicles that had utilization data available, most of them were underutilized pursuant to the 1,100 miles per month standard. Furthermore, evidence from one non-reporting agency (West Virginia University) on vehicles it decommissioned suggests the likelihood that most of the vehicles with no monthly utilization data were also underutilized. This issue magnifies the volume of underutilized vehicles and their inefficiencies. While the State has made positive progress in that formerly non-reporting state spending units are now reporting utilization data to the FMD, it is important for the sake of efficiency and cost-effectiveness that agencies monitor vehicle use and reduce underutilized vehicles to a level that is efficient and justified.

Most Vehicles That Were Not Reported to the FMD Were Underutilized.

This analysis included a survey of state agencies that formerly considered themselves exempt from the FMD rule that established guidelines for management of all motor vehicles of one-ton or less owned by the State (W. Va. Code of State Rules (CSR) §148-3). The FMD rule specified that all state agencies had to monitor proper use of their vehicles, and utilize them a minimum of 1,100 miles per month. If a qualifying vehicle was used less than 1,100 miles monthly, then the agency had to request an exemption from the FMD, and the FMD would consider if the underutilized vehicle was justified. Several agencies claimed to be exempt from the FMD rule because they were exempt from state purchasing requirements. However, in 2015 the FMD rule was updated to clarify that all state spending units were to track and report to the FMD monthly odometer readings of each owned vehicle. The FMD sent letters to all spending units of the State between August and October in 2016 requesting utilization data on vehicles that did not utilize FMD's fueling and maintenance services.

PERD received information on 926 vehicles that were not reported to the FMD by 18 agencies. Of these vehicles, 603 had no utilization data available.

If a qualifying vehicle was used less than 1,100 miles monthly, then the agency had to request an exemption from the FMD, and the FMD would consider if the underutilized vehicle was justified.

Table 4 shows the survey results of vehicles that were not reported to the FMD. PERD found 18 spending units across state government, including institutions of higher education, two constitutional offices, and the Supreme Court of Appeals that owned at least one vehicle prior to September 2016 that did not report monthly utilization data to the FMD due to their claims of exemption. The data show that most of these vehicles were underutilized, and in many cases significantly underutilized. Six of those spending units did not track vehicle utilization; however, evidence from West Virginia University's (WVU) decommissioned vehicles, which will be discussed in the next section, indicates the likelihood that most of the vehicles owned by these six agencies were also underutilized. Underutilized vehicles place in question the efficiency of these vehicle purchases unless it can be shown to be justified.

PERD found 18 spending units across state government, including institutions of higher education, two constitutional offices, and the Supreme Court of Appeals that owned at least one vehicle prior to September 2016 that did not report monthly utilization data to the FMD due to their claims of exemption.

Table 4
Analysis of Vehicle Utilization of Non-Reported Vehicles
FY 2014-2016

Agency	Number of Vehicles	Average Monthly Miles for All Vehicles	Number of Vehicles that Met the Minimum Monthly Miles
Concord University	25	n/a	n/a
Fairmont University (includes Pierpont CTC)	26	n/a	n/a
Marshall University	90	n/a	n/a
Rail Authority	14	n/a	n/a
Supreme Court of Appeals	19	n/a	n/a
West Virginia University	429	n/a	n/a
Bluefield State College	11	182.6	0
Natural Resources	188	664.6	27
New River CTC	9	890.4	2
RESA 1*	3	2,060.0	3
RESA 2	3	1,101.2	2
RESA 3	1	1,104.2	1
RESA 4	3	714.6	0
RESA 5*	8	1,162.4	1
RESA 7*	4	1,144.9	1

RESA 8*	15	2,088.9	13
State Auditor	5	351.9	1
WV State University*	73	360.0	3
Totals	926		54

Source: PERD analysis of vehicle utilization data provided by the agencies (data were not audited).
 *Indicates utilization calculations made by PERD based on total mileage divided by the number of months since its purchase date.

State Agencies Should Adhere to the FMD Rule on Purchasing New Vehicles to Replace Existing Vehicles.

State agencies that formerly considered themselves exempt from FMD guidelines will need to comply with the requirement that purchasing a new vehicle to replace an existing vehicle must be justified by:

- a. the existing vehicle being more than five years old and has more than 120,000 miles,
- b. the existing vehicle was destroyed and is considered a total loss, or
- c. the existing vehicle requires repairs or maintenance with costs that cannot be justified based on the remaining life of the vehicle (CSR §148-3-4.2).

Thirty-one (31) of the 197 vehicles (15%) that WVU sold in that time-frame had been driven fewer than 80,000 miles.

Table 5 shows evidence from PERD’s survey of agencies that considered themselves exempt from FMD guidelines that many vehicles were decommissioned with relatively low miles. WVU provided data on 197 vehicles it had decommissioned and sold between 2011 and October 2017. Thirty-one (31) of the 197 vehicles (15%) that WVU sold in that timeframe had been driven fewer than 80,000 miles. However, that percentage of underutilized vehicles may be higher since 100 of the vehicles listed did not include the final mileage. WVU also could not provide the purchase date for the vehicles, but the model years of all the vehicles range from 1977 to 2013. PERD cannot confirm that these vehicles were replaced with new ones. Since these vehicles were underutilized, they were sold with relatively low miles despite being relatively old. The least utilized vehicle was a 1999 Ford Ranger pick-up truck, which had a final odometer reading of 11,842 miles when it was sold in 2014. Assuming the truck was owned by WVU from 2000 to 2013, that equates to a monthly utilization rate of 76 miles.

Agencies that were formerly not reporting data on many of their vehicles will have to become accustomed to reporting such information. Moreover, the FMD will have to address the many vehicles that do not

currently comply with the FMD guidelines. However, agencies that are exempt from the Purchasing Division may be able to purchase vehicles and thus circumvent the FMD's disapproval of purchasing new vehicles to replace existing vehicles that are not five years old and have more than 120,000 miles.

Vehicles that are sold with relatively low miles highlight the inefficiency of purchasing vehicles that are not justified for minimal use. The value of purchasing a vehicle is maximized by attaining the full use of it over the life of the vehicles, and that is accomplished by maximizing the number of miles driven. When vehicles are relatively old but have low miles, the State has not obtained the full value of these vehicles.

Vehicles that are sold with relatively low miles highlight the inefficiency of purchasing vehicles that are not justified for minimal use.

Table 5
WVU Decommissioned Vehicles with Final Mileage under 80,000

Make	Model	Model Year	Sales Date	Final Mileage
Ford	Ranger	1999	1/1/2014	11,842
Dodge	van	2000	6/1/2012	33,210
IHC	truck	1980	11/1/2011	33,772
Chevrolet	S-10	2003	2/1/2017	36,028
Ford	Taurus	2013	3/1/2016	38,825
GMC	Safari	1998	1/1/2010	38,880
GMC	Safari	1998	1/1/2010	39,839
GMC	Safari	1998	2/1/2010	43,398
Dodge	van	2000	6/1/2012	44,485
GMC	van	2001	4/1/2016	49,725
Dodge	van	1999	6/1/2012	50,363
Chevrolet	Tracker	2001	8/1/2015	51,578
Chevrolet	truck	1986	10/1/2014	52,036
Chevrolet	van	1998	6/1/2012	52,147
Dodge	van	1999	6/1/2012	57,162
Dodge	Caravan	2006	4/1/2016	57,990
GMC	truck	2001	8/1/2015	58,447
GMC	van	2001	4/1/2016	58,468
Chevrolet	Impala	2005	1/1/2014	62,279
Ford	Expedition	1998	8/1/2015	65,338
Dodge	pick-up truck	2001	4/1/2016	65,818
Dodge	Durango	2003	9/1/2016	66,486
Dodge	truck	2000	6/1/2012	67,274

GMC	Step Van	1997	6/1/2012	71,119
Dodge	Caravan	2000	8/1/2015	73,220
Jeep	Cherokee	2006	12/1/2014	74,256
Ford	F-250	1997	11/1/2016	74,741
Chevrolet	Impala	2008	3/1/2014	75,788
GMC	Sonoma	1992	12/1/2014	76,534
Ford	Taurus	1997	11/1/2011	77,897
GMC	van	1999	1/1/2013	79,178
<i>Source: PERD analysis of vehicle decommissioning data provided by WVU. Data are unaudited.</i>				

The WVU fleet coordinator defended the underutilization of many vehicles by claiming that WVU’s fleet is adequately sized because of the terrain and size of WVU’s campus. He specifically stated:

“...the minimum utilization...for vehicular miles traveled by WVU personnel is low since on-campus travel entails short distances to move faculty/staff/student across campus. With WVU’s campus being the size of a small city, WVU operates a sizable fleet of vehicles serving a wide range of academic, service and operational activities from student recruiting to roads and grounds maintenance. There is a three-mile separation between campus extremes with significant elevation change making it difficult to walk and requiring the use of automobiles even for short trips.”

It will remain the agency’s decision whether to maintain vehicles that the FMD may determine are not justifiable.

The Legislative Auditor acknowledges that some of WVU’s underutilized vehicles are needed; however, the FMD will have to consider these circumstances in justifying these and other underutilized vehicles. However, it will remain the agency’s decision whether to maintain vehicles that the FMD may determine are not justifiable.

Although many of WVU’s vehicles are underutilized, the fleet coordinator admits that they still experience deterioration. The fleet coordinator provided PERD with photographs to show the deterioration on underutilized vehicles (see Figure 1 below). He specifically claims:

“...[A]ll these vehicles rarely leave the City [of Morgantown] so all of the brine and salt that is used for the winter months is really hard on older vehicles as the pictures demonstrate. Also, some of these vehicles are 15– 20 years old....”

WVU’s fleet coordinator is essentially acknowledging that although WVU’s vehicles are driven infrequently, this does not preclude them

from wear and rust. The picture on the left of Figure 1 shows rust on the vehicles framework near the wheel as well as on an axle. The photo on the right shows a screwdriver being inserted through the frame of a 2001 Chevrolet Tracker.

Figure 1
Photographs of Corrosion on Underutilized Vehicles From West Virginia Univesity



Under West Virginia Code, State Agencies Are Ultimately Responsible for Complying With the Fleet Management Rule.

This issue highlights the need for independent oversight of state-owned vehicles; however, under current law, the responsibility for properly managing state vehicles is left to the agencies themselves. The Fleet Management Division is an administrative service agency which means it provides professional fleet services but does not have the authority over fleet decisions of other state agencies. The FMD can write fleet management policies, review fleet-related requests, and advise agencies on fleet decisions, but the FMD cannot compel agencies to comply with its policies. It contracts with a vendor for the fueling and maintenance services, and provides the repository for state vehicle data; however, if the FMD finds that an agency is not properly maintaining or utilizing a vehicle, it cannot take action against that agency. For instance, under W. Va. Code §5A-12-3, the FMD has the authority to “preapprove and assist with the purchase of new or replacement vehicles for agencies...” however, under the Fleet Management Rule, the FMD’s decision to approve an acquisition is based solely on whether the vehicle being replaced qualifies under the replacement standard (CSR §148-3-4). Furthermore, West Virginia Code does not provide an enforcement mechanism for the FMD to compel agencies to comply with its decisions.

West Virginia Code does not provide an enforcement mechanism for the FMD to compel agencies to comply with its decisions.

Even with the passage of House Bill 4015, the onus for the proper management of state vehicles remains with agencies. Under the new

legislation, the FMD and the Travel Management Office are responsible for developing and maintaining state policies for the utilization of state vehicles, including establishing best practices for state vehicle use, but the FMD has no authority to enforce those policies. For example, just as in the case of vehicle purchases, the FMD cannot force agencies to dispose of vehicles that are underutilized if it determines that an exemption is not warranted. If the FMD denies an exemption request and the FMD's decision is sustained through the appeals process through the Cabinet Secretary of the Department of Administration, it cannot repossess or compel the agency to decommission the vehicle. Instead, the Fleet Management Rule states:

*After a final denial of waiver of average minimum monthly mileage of a state-owned vehicle...the Fleet Management Division **may recommend** an inter-agency transfer of the vehicle to another spending unit or **may recommend** transferring the vehicle to the State Agency for Surplus Property for disposition. [emphasis added]*

So, if the FMD determines that a vehicle does not qualify for an exemption, it can provide the agency with options on how to dispose of the vehicle, but it cannot compel the agency to comply with its recommendation. The FMD is also responsible for setting up a complaint process for the general public to report to the division issues relevant to the operation and maintenance of state vehicles. The FMD has to review the complaints weekly and report them to the appropriate spending units. The spending units are then required to investigate each complain and provide an update to the FMD on the status of the investigation and the final decision at the conclusion of the investigation. The FMD then is required to compile a summary of the complaints received as part of its annual report to the Governor's Office and the Joint Committee on Government and Finance. Unless the Legislature decides to expand the FMD's authority to include enforcement, then the agencies themselves will be responsible for compliance. If they fail to do so, the requirements of spot compliance and legislative audits provided in House Bill 4015 will provide the Legislature and Governor's Office with the necessary information to expand the FMD's authority to include enforcement authority.

Conclusion

The analysis of this issue is intended to show the status of vehicles that did not have vehicle utilization data reported to the FMD, prior to 2016, because many agencies considered themselves exempt from the reporting requirements. PERD found that most vehicles that were not reported to the FMD were underutilized. Vehicles that are underutilized and unjustified are inefficient because the State does not obtain the full value of vehicles. However, passage of HB 4015 during the 2018 legislative

Under the new legislation, the FMD and the Travel Management Office are responsible for developing and maintaining state policies for the utilization of state vehicles, including establishing best practices for state vehicle use, but the FMD has no authority to enforce those policies.

Unless the Legislature decides to expand the FMD's authority to include enforcement, then the agencies themselves will be responsible for compliance.

session and the actions taken by the FMD to facilitate compliance with the Fleet Management Rule have clarified agencies' fleet responsibilities. HB 4015 added new requirements that if applied appropriately should address many of the issues raised in this report. Although all spending units have become more aware of minimum utilization and reporting requirements, several agencies have many underutilized vehicles as shown in Issue 1. The FMD provides agencies with the expertise and tools necessary to ensure the State's fleet is at an efficient and justified level. It is up to the agencies to embrace that expertise and those tools to make the appropriate business decisions that will ensure the State's fleet is effectively and efficiently managed.

Recommendation

- 4. State agencies should regularly review their fleet's utilization data and work with the Fleet Management Division to identify and dispose of underutilized vehicles that are not mission critical.*

ISSUE 3

State Agencies Are Allocating Four-Wheel Drive Vehicles to Areas of the State That Receive Significant Snowfall; However, a Number of Vehicles Are Questionably Assigned to Administrative and/or Executive Offices Within Most Agencies Reviewed.

Issue Summary

At the request of the Legislative Auditor, PERD analyzed the distribution of state-owned four-wheel drive vehicles across the state to determine if agencies allocate such vehicles to areas that receive significant snowfall. Generally, four-wheel or all-wheel drive⁶ features are optional packages that increase the purchase price and operating costs of a vehicle, and the feature is often associated with sport-utility vehicles (SUVs) and trucks, which are generally more expensive than standard passenger vehicles. Therefore, such purchases should be purposeful and be put in service in parts of the state that have weather and terrain conditions that warrant such vehicles. PERD's review finds that four-wheel drive vehicles are proportionately distributed to agencies' branch offices in areas of the state that receive significant snowfall. However, the Legislative Auditor is concerned that many four-wheel drive vehicles are assigned to executive/administrative staff who may not need such vehicles for their job responsibilities.

PERD's review finds that four-wheel drive vehicles are proportionately distributed to agencies' branch offices in areas of the state that receive significant snowfall.

PERD Identified Issues with Agency Allocation of Four-Wheel Drive Vehicles in a Performance Review of the West Virginia State Police in 1999

In a 1999 Performance Review, the Legislative Auditor found that the State Police did not consider annual snowfall in its assignment of four-wheel drive vehicles to regional offices. The State Police are quoted in that report stating that only manpower, terrain, and chance of severe winter weather was taken into consideration in allocating four-wheel drive vehicles. The report specifically cited the number of four-wheel drive vehicles in Kanawha County was high relative to the county's annual snowfall, and found high-snowfall counties where there were no four-wheel drive vehicles assigned. The report recommended that the State Police review whether they are appropriately assigning four-wheel drive vehicles. PERD expanded the number of agencies to determine if agencies with multiple worksites across the state are adequately assigning their four-wheel drive vehicles to high snowfall areas.

⁶ For the remainder of this issue, all-wheel and four-wheel drive are considered the same and all references to four-wheel drive should be considered to include all-wheel drive.

Overall, the Cost of Purchasing Standard Sedans Is Significantly Less Than Four-Wheel Drive SUVs.

As part of the need for fiscal responsibility, agencies should consider the price and specifications of vehicles when considering vehicle purchases and assignments. PERD reviewed the purchase prices and fuel efficiency of three sedans and two SUVs available on the statewide contract for vehicles. As the values in Table 6 below indicate, the cost of purchasing a compact or mid-size Jeep SUV is an additional \$2,417 to \$10,645 over the compact or mid-size Ford sedans. While the Dodge Charger is more expensive than the compact Jeep Renegade, the mid-size Jeep Grand Cherokee costs an additional \$5,325. PERD’s review of fuel cost found an insignificant difference between the vehicles.

Table 6 Sample of 2018 Model Sedans and SUVs Available on the Statewide Contract for Vehicles		
Vehicle Make & Model	Unit Price	Standard MPG*
Dodge Charger	\$20,506	19 City/ 30 Highway
Ford Fusion	\$16,468	21 City/ 31 Highway
Ford Focus	\$15,187	26 City/ 38 Highway
Jeep Renegade	\$18,855	24 City/ 31 Highway
Jeep Grand Cherokee	\$25,832	19 City/ 26 Highway

*Source: PERD’s analysis of vehicle prices and descriptions provided the Fleet Management Division
Standard MPG numbers obtained from Motor Trend Magazine’s website, www.motortrend.com

The Majority of Agency-Owned Four-Wheel Drive Vehicles Are Allocated to Counties That Receive Medium to High-Levels of Snowfall Annually.

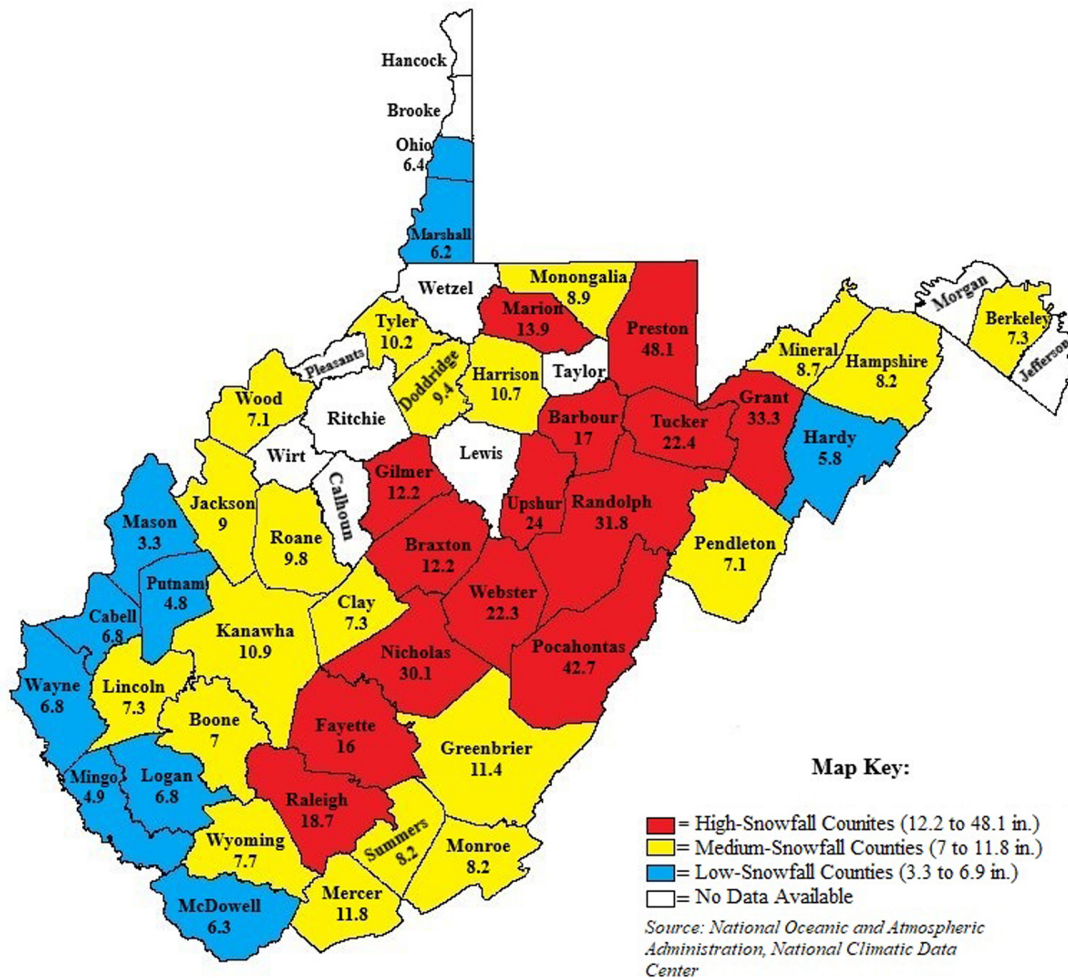
State agencies with regional or district offices across West Virginia appear to take snowfall into consideration when assigning four-wheel drive vehicles. The map in Figure 2 shows the thirty-year average annual snowfall by county based on data obtained from the U.S. National Oceanic and Atmospheric Administration’s (NOAA) National Climatic Data Center. PERD grouped counties into four categories based on NOAA’s snowfall data:

- **High-snowfall counties:** counties that receive an average snowfall of 12 inches or more.
- **Medium-snowfall counties:** counties that receive an average snowfall between 7.0 inches and 11.9 inches.
- **Low-snowfall counties:** counties that receive an average snowfall of 6.9 inches or fewer.

State agencies with regional or district offices across West Virginia appear to take snowfall into consideration when assigning four-wheel drive vehicles.

- **Counties with no data:** NOAA did not have data available for these counties.⁷

Figure 2
30-Year Average Annual Snowfall in West Virginia by County



PERD collected four-wheel drive vehicle locations on 2,434 vehicles from six agencies with the largest fleets in the state and found that four-wheel drive vehicles are assigned primarily in high and medium-snowfall counties. These agencies include: the State Police, the Division of Natural Resources, the Department of Agriculture, the Division of Juvenile Services, the Division of Highways, and the Department of Health and Human Resources. As Table 7 shows, 29 percent of the

⁷ NOAA collects its data from weather stations across the state and the counties without data do not have weather stations that monitor snowfall. It should also be noted that some counties have multiple stations. For those counties, PERD selected the locations with the highest averages to represent the entire county.

four-wheel drive vehicles are in high-snowfall counties. Meanwhile, medium-snowfall counties contain the highest number and percentage of four-wheel drive vehicles, with 1,380 (or 57%) of four-wheel drive vehicles allocated to these counties. As will be discussed in detail later in this report, 20 percent of all four-wheel drive vehicles are in Kanawha County. The remaining 16 percent of four-wheel drive vehicles assigned to low-snowfall counties. The Legislative Auditor believes that agencies are allocating four-wheel drive vehicles appropriately since most vehicles are located high and medium-snowfall counties.

Table 7
Four Wheel Drive Vehicle Allocation
Analysis for Select Agencies by County Snowfall

Average Annual Snowfall	Number of Vehicles	Ratio of Four-Wheel Drive (%)	Ratio of State Population (%)
High-Snowfall	658	27%	22%
Medium-Snowfall	1,380	57%	54%
Low-Snowfall	396	16%	24%
Total	2,434	100%	100%

Source: PERD's compilation of information provided by selected state agencies and Average Annual Snowfall Data from NOAA.

For most of the evaluated agencies, Table 7 suggests that snowfall is being taken into consideration when allocating four-wheel drive vehicles; however, the allocation of four-wheel drive vehicles to high-snowfall counties can be improved. As Table 8 shows, the Department of Agriculture is the only agency that has a greater percentage of four-wheel drive vehicles allocated to low-snowfall counties than high-snowfall counties. The Department of Agriculture assigned 15 percent of its four-wheel drive vehicles to high-snowfall counties against 18 percent for low-snowfall counties. For all other evaluated agencies, the percent allocation of four-wheel drive vehicles allocated to high snowfall-counties exceeded the percentage allocation to low-snowfall counties. The State Police, the Department of Health and Human Resources, and the Division of Highways all have four-wheel drive allocations in high-snowfall counties that exceed their allocation to low-snowfall counties, but the difference is relatively small. This could be explained by some four-wheel drive vehicles being assigned to executive staff. Agencies such as the Division of Natural Resources and the Division of Juvenile Services have higher allocations of four-wheel drive vehicles in high-snowfall counties due to the locations of their worksites. The Division of Natural Resources has several vehicles distributed to state parks and law enforcement detachments. These reduce the number of vehicles that are kept in more populous counties with lower annual snowfall. This is similarly the case with Division of Juvenile Services as most of its four-wheel drive vehicles are assigned to the juvenile detention centers. The

The allocation of vehicles to low-snowfall counties should be evaluated to ensure that these resources are not being misallocated.

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Agencies	High-Snowfall*	Medium-Snowfall*	Low-Snowfall*
State Police	16%	69%	15%
Agriculture	15%	67%	18%
Juvenile Service	34%	59%	7%
Highways	23%	60%	17%
Health & Human Resources	26%	54%	20%
Natural Resources	50%	36%	14%
Total	27%	57%	16%

Source: PERD's compilation of information provided by selected state agencies and Average Annual Snowfall Data from NOAA.
**State population by average snowfall: high-snowfall 22%, medium-snowfall 54%, low-snowfall 24%.*

DHHR Has No Four-Wheel Drive Vehicles Allocated in Three High-Snowfall Counties.

The Department of Health and Human Resources (DHHR) only allocates 27 percent of its four-wheel drive vehicles to high-snowfall counties leaving some high-snowfall counties without any four-wheel drive vehicles. Table 9 shows that most of the four-wheel drive vehicles operated by DHHR are used in non-high-snowfall counties. This allocation of four-wheel drive vehicles has left three high-snowfall counties, Braxton, Gilmer, and Grant counties, without any four-wheel drive vehicles. While these counties have a small number of vehicles, their level of snowfall indicates that an addition of a four-wheel drive vehicle over a two-wheel drive vehicle could prevent the delay of agency services. Further, the small number of vehicles allocated to these counties means that a reallocation of vehicles would not hinder the efforts of other counties that have less annual snowfall.

This allocation of four-wheel drive vehicles has left three high-snowfall counties, Braxton, Gilmer, and Grant counties, without any four-wheel drive vehicles.

**Table 9
Department of Health and Human Resources
Allocation of Four-Wheel Drive Vehicles to High-Snowfall Counties**

Snowfall Amounts*	Number of Four-Wheel Drive Vehicles	Ratio of Four-Wheel Drive (%)
High-Snowfall	28	26%
Medium-Snowfall	57	54%
Low-Snowfall	21	20%
Total	106	100%
<i>Source: PERD's compilation of information provided by selected state agencies and average annual snowfall data from NOAA. *State population by average snowfall: high-snowfall 22%, medium-snowfall 54%, low-snowfall 24%.</i>		

Many Four-Wheel Drive Vehicles Are Questionably Assigned to Administrative and Executive Offices Instead of Less Expensive Alternative Vehicles.

Four of the six agencies reviewed have a disproportionate number of four-wheel drive vehicles in Kanawha County. Table 10 shows that the Department of Agriculture, and the DHHR have over 30 percent of their four-wheel drive vehicles allocated to Kanawha County. The State Police has 117 four-wheel drive vehicles (21 percent) located in Kanawha County, while Berkeley County has the next highest distribution with 27 (5 percent) four-wheel drive vehicles. The Division of Highways, with the largest vehicle fleet, also has a disproportionately high number of four-wheel drive vehicles in Kanawha County with 217 vehicles, while Randolph and Mercer Counties tie for the second highest Division of Highways allocation, each with 87 four-wheel drive vehicles. In terms of population, Kanawha County is only 11 percent of the state's total population.⁸

PERD examined the reason for these disproportionate allocations. PERD found that these agencies are headquartered in or near the capitol city of Charleston, which is where many of the agencies' executive and administrative staff are also located, and that many four-wheel drive vehicles are questionably assigned to executive and administrative staff who have job responsibilities that do not warrant the need for four-wheel drive vehicles. Table 10 shows the number of vehicles in Kanawha County assigned to administrative and/or executive offices of the agencies and the number assigned to field offices—that is, the offices that handle the day-to-day field operations. The totals show that 181 of the 436 four-wheel drive vehicles (42 percent) in Kanawha County are assigned to administrative or executive offices of the agencies reviewed. Executive offices typically

The totals show that 181 of the 436 four-wheel drive vehicles (42 percent) in Kanawha County are assigned to administrative or executive offices of the agencies reviewed.

⁸ The U.S. Census Bureau estimates Kanawha County's population to be 183,293 which is 11% of West Virginia's population.

include the agency head (e.g. cabinet secretary or division director) and his or her immediate subordinates. Administrative offices include the divisions that handle the administrative functions of the agency, and may be identified, for example, as the Office of Administration, but also includes other administrative functions, such as: human resources, procurement, information technology, and legal functions. **While these functions are important in carrying out the internal operations of state agencies, they do not constitute the field operations that warrant the need for more expensive four-wheel drive vehicles.**

Table 10
Percentage of Four-Wheel Drive Allocations to Kanawha County by Evaluated Agencies

Agency	Total Number Four-Wheel Drive Vehicles	Number and Percent in Kanawha County	Number Assigned to Administrative Entities In Kanawha County	Number Assigned to Field Offices In Kanawha County
State Police	564	117 (21%)	67	50
Department of Agriculture	115	41 (36%)	21	20
Division of Juvenile Services	29	6 (21%)	5	1
Division of Highways	1,383	217 (16%)	64	153
Department of Health & Human Resources	116	39 (34%)	21	18
Division of Natural Resources	487	16 (3%)	3	13
Total	2,694	436 (16%)	181	255

Source: PERD's compilation of information provided by the selected state agencies.

Fifty-seven (57) percent of the West Virginia State Police’s four-wheel drive vehicles in Kanawha County are assigned to administrative or executive sections of the agency. Table 11 shows a breakdown of the executive and administrative sections of the State Police. The State Police is organized primarily in two divisions: Staff Services and Field Services. The Staff Services Division includes the administrative, accounting, and executive functions and are located within the agency’s headquarters in South Charleston. Apart from the Troop 4 Headquarters, Training Academy, Professional Standards Section, and legal subsection, all the sections listed in Table 11 are within the Staff Services Division. The Staff Services Division has a combined 35 four-wheel drive vehicles. Troop 4 Headquarters is included in Table 11 since it carries out the administrative functions for that Troop. It has 12 four-wheel drive vehicles assigned

Fifty-seven (57) percent of the West Virginia State Police’s four-wheel drive vehicles in Kanawha County are assigned to administrative or executive sections of the agency.

to it. The Professional Standards Section investigates allegations of misconduct lodged against West Virginia State Police employees. It and the Legal subsection are independent from both divisions and report directly to the superintendent. The Training Academy is technically within the Field Services Division; however, since it is a professional training facility, PERD considered this an administrative function. In total, the State Police has 67 four-wheel drive vehicles assigned to administrative or executive sections, as compared to 50 for field staff. Of those 50 vehicles, 36 are assigned to the Special Operations sections, while the remaining 14 are split between the Executive Protection section (2), the South Charleston detachment (4), and the Quincy detachment (8).

Table 11 State Police Four-Wheel Drive Vehicles Kanawha County Allocations to Administrative and/or Executive Sections		
Sections*	Number of Four-Wheel Drive Vehicles	Percent of Four-Wheel Drive Vehicles
Training Academy	13	19.4%
Criminal Records	1	1.5%
Executive Office	7	10.4%
Information Services	7	10.4%
Investigative Support Service	6	9.0%
Professional Standards	6	9.0%
Traffic Records	13	19.4%
Troop 4 Headquarters	12	17.9%
Legal	1	1.5%
Planning and Research	1	1.5%
Total	67	100%

Source: PERD's analysis of vehicle information provided by the agency.
**The Procurement Section, within the Staff Services Division, has an additional 46 four-wheel drive vehicles; however, those vehicles are awaiting assignment to another section, troop, or district office. There were an additional two four-wheel drive vehicles that were not assigned to a section.*

Of the Department of Agriculture’s 41 four-wheel drive vehicles allocated to Kanawha County, 20 are assigned to the Administrative Services Division and Executive Division. Eight of the Administrative Division’s four-wheel drive vehicles are assigned to the building and grounds subsection. Three of these four-wheel drive vehicles are assigned to the Assistant Director of the building and grounds subsection, the Building Maintenance Supervisor, and a building and grounds Carpenter with the remaining five vehicles assigned as pool vehicles. The Administrative Services Division has three additional four-wheel drive vehicles assigned to non-maintenance duties including one for mail delivery and the remaining two as pool vehicles. Of the nine four-

Of the Department of Agriculture’s 41 four-wheel drive vehicles allocated to Kanawha County, 20 are assigned to the Administrative Services Division and Executive Division.

wheel drive vehicles allocated to the Executive Division, seven vehicles are assigned to individual staff members including the Commissioner of Agriculture, the Deputy Commissioner, and the Chief of Staff. The Department's justification to PERD for its four-wheel drive vehicles was that they are used in rough terrain, inclement weather and for towing and hauling. The Legislative Auditor does not have adequate knowledge to determine if these three officials perform duties that would warrant the need for four-wheel drive vehicles. **However, given the price differential between four-wheel drive and standard passenger vehicles, there should be a justification process for purchasing vehicles with costly features that are unnecessary for the job responsibilities of employees who will be assigned the vehicles.**

Five of the Division of Juvenile Services' (DJS) six vehicles in Kanawha County are assigned to the agency's Central Office, with the remaining vehicle allocated to the Tiger Morton Juvenile Center. Of the five vehicles at the Central Office, four are pool vehicles and one is assigned to the director. As part of the request for four-wheel drive vehicle locations, PERD asked for justification for the need of four-wheel drive vehicles. In response, the DJS stated that all five vehicles were needed for the safe transportation of juveniles to rural areas in all types of weather — including the director's 2014 Jeep Grand Cherokee. While PERD did not confirm this, it seems unlikely that the director of the DJS would be transporting juveniles within the agency's custody. If the DJS needs the director to be assigned his own state vehicle, the agency should evaluate if he or she needs four-wheel drive or consider a less expensive option.

Conclusion

The Legislative Auditor's initial concern was if four-wheel drive vehicles were not appropriately distributed to locations based on terrain and weather conditions, then it would suggest that SUVs and trucks were being purchased instead of less expensive alternatives. PERD finds that the allocation of four-wheel drive vehicles correlates with counties based on the 30-year average annual snowfall. However, this analysis also reveals that state agencies are questionably purchasing four-wheel drive vehicles for executive and administrative staff instead of less expensive vehicles. Since vehicle purchases are a significant cost, the types of vehicles agencies purchase should be based on the job responsibilities of employees for whom the vehicles will be assigned.

PERD asked for justification for the need of four-wheel drive vehicles. In response, the DJS stated that all five vehicles were needed for the safe transportation of juveniles to rural areas in all types of weather — including the director's 2014 Jeep Grand Cherokee.

The types of vehicles agencies purchase should be based on the job responsibilities of employees for whom the vehicles will be assigned.

Recommendation

5. *West Virginia state agencies should consider the job responsibilities of employees or units that vehicles will be assigned to when purchasing vehicles with special features that increase the purchase price such as four-wheel drive.*

ISSUE 4

The West Virginia Division of Motor Vehicles Does Not Have Adequate Management Controls in Place to Ensure State Agency License Plates Are Only Issued to the Appropriate Entities.

Issue Summary

This issue is a follow-up to the December 2016 Post Audit special report on Fleet Management, which found, in part, that the West Virginia Division of Motor Vehicles (DMV) did not have complete and accurate records of the organizations it issued green, state vehicle license plates to. Post Audit identified 1,680 vehicles that are owned and operated by organizations that are not agencies of the State of West Virginia, and have been issued state plates according to the DMV.⁹ In response, the Legislative Auditor requested that PERD review the DMV’s policies and practices to determine how these organizations received approval for state vehicle plates. PERD reviewed 223 vehicle title certification records from organizations identified by DMV as having been issued state agency plates. PERD identified 25 instances where DMV approved the issuance of state agency plates to non-governmental entities. The remaining 198 files did not contain the documentation required to receive agency plates, which means that either the DMV issued them to organizations without the required documentation or that the DMV does not know to whom it has issued the state plates. The Legislative Auditor finds that this situation has occurred because the DMV lacks sufficient management controls in its vehicle titling and registration process to prevent the issuance of state vehicle plates to unqualified entities.

PERD identified 25 instances where DMV approved the issuance of state agency plates to non-governmental entities.

Under West Virginia Code, Only West Virginia State Agencies Are Eligible to Receive Green State Vehicle License Plates.

West Virginia Code establishes the criteria for entities to receive state vehicle license plates and for exemptions from registration and titling fees. West Virginia Code §17A-3-23 creates the special license plates for, “Any motor vehicle designed to carry passengers, owned or leased by the state of West Virginia, or its department, bureaus, commissions, or institutions....” However, Legislative Services’ attorneys determined that this code cite does not allow for vehicles owned by non-governmental entities to be issued special plates designated for state, county, or municipal

Legislative Services’ attorneys determined that this code cite does not allow for vehicles owned by non-governmental entities to be issued special plates designated for state, county, or municipal vehicles.

⁹ Post Audit was using state vehicle registration data to determine the number of vehicles in the State’s fleet, and the non-governmental entity finding was supplemental. The Legislative Auditor concluded that the DMV does not maintain a complete and accurate inventory of state-owned passenger vehicles.

vehicles (see Appendix C). Additionally, W. Va. Code §17A-10-8(1) only allows an exemption from registration fees for vehicles owned by the state or any political subdivision. Under the terms of this statute, a “Political Subdivision Affidavit” must be submitted at the time of registration by the “proper representative” of the political subdivision. Furthermore, W. Va. Code §17A-3-4(b)(7) exempts the State or a political subdivision from paying the required privilege tax titling fee. The Political Subdivision Affidavit requires the authorizing official to swear under penalty of perjury that the entity is an agency or department of the indicated political subdivision and is entitled to the exemption under §17A-3-4(b)(7).

In summary, only state agencies are eligible to receive the state vehicle license plates as well as the exemptions to the registration and titling fees. The process to receive those plates require an official with the agency to submit the Political Subdivision Affidavit, thereby certifying that the vehicle is owned and operated by a West Virginia state agency. Based on the legal opinion’s evaluation of *West Virginia Code*, the Legislative Auditor determines that registering, or applying to register, a non-governmental vehicle with a governmental registration plate is a violation of law and may carry significant consequences for those involved in such an act. The legal opinion determines that:

If a public employee submits a Political Subdivision Affidavit on behalf of a non-governmental entity, the employee may be found guilty of misdemeanor offenses under W. Va. Code §17A-3-23(t) (violation of governmental registration requirements) or W. Va. Code §17A-3-3 (submitting a false statement in application for registration) and may also be found to violate the state ethics law prohibiting use of private office for the gain of a private entity, W. Va. Code §6B-2-5(b). It would also be a violation of this Ethics Act provision if a DMV employee were to issue a governmental plate with the knowledge that the vehicle is not owned by a governmental entity. If a non-governmental agency were to obtain a governmental registration plate and not pay the required registration fee, the Division of Motor Vehicles has the authority to revoke the registration of the vehicle involved or refuse to issue registration for it, W. Va. Code §17A-3-3(e).

Based on the legal opinion’s evaluation of West Virginia Code, the Legislative Auditor determines that registering, or applying to register, a non-governmental vehicle with a governmental registration plate is a violation of law and may carry significant consequences for those involved in such an act.

Vehicle Title Records Show That the DMV Issued State Vehicle Plates to Non-Government Entities, but 43% of the Records Reviewed Did Not Contain the Required Documentation to Receive State Vehicle Plates.

The Post Audit Division’s review of the DMV’s inventory found 1,680 vehicles owned by non-qualifying entities listed as having been issued state vehicle license plates. The vehicles themselves are owned

and operated by private organizations that work with state agencies, but are not actually part of the State of West Virginia. Regardless, these applications are approved and the vehicles end up with “State Car” or “County” registration plates. If the organizations have state agency plates, then their title certification file should contain the required Political Subdivision Affidavit form. PERD used the information DMV provided to Post Audit to request the Certificate of Title records from 20 non-governmental entities to determine who certified the affidavits. In response to that request, the DMV provided a letter and requested documentation for sixteen of the requested organizations. In its letter the DMV stated that four of the organizations (Lindside Volunteer Fire Department, the City of Charleston, the Town of Fayetteville, and the Tyler County Board of Education) were not issued state vehicle plates. Furthermore, PERD’s review only found copies of Political Subdivision Affidavits in the vehicle title records from six of the remaining 16 organizations. It appears, DMV does not know the number or to whom it has issued state license plates.

It appears, DMV does not know the number or to whom it has issued state license plates.

Table 12 Non-Governmental Entities That Received State Vehicle Plates				
Organization	Number of Vehicles	Number of Affidavits	Affidavits Signed by State Official	Affidavits Signed by Organizational Representative
AFL-CIO Appalachian Council	29	9	8	1
Chestnut Ridge Public Service District	15	3	0	3
Coalfield Community Action Partnership, Inc.	3	3	2	1
Integrated Resources	7	7	7	0
Community Resources, Inc.	1	1	0	1
Mineral County Aging & Family Services	2	2	1	1
Total	57	25	18	7

Source: PERD’s analysis of Political Subdivision Affidavits provided by the West Virginia Division of Motor Vehicles.

As seen in Table 12, the vehicle title records for the AFL-CIO Appalachian Council and the Chestnut Ridge Public Service District contained affidavits on a portion of their vehicles, while the remaining four organizations have them on all their vehicles reviewed. For those that do contain the affidavits, PERD determined that officials from four state agencies had signed the forms for the non-governmental entities (see Table 12) in 18 instances, while the remaining seven affidavits were signed by officials from the organizations they represented. In every case, the representative submitting the form certified that the organization

was a political subdivision of the State of West Virginia, by inserting the organizations name on the “Name of organization” line and by checking the box for the State. The affidavit signatures from state officials breaks down as follows:

- The nine affidavits signed for the AFL-CIO’s Appalachian Council were for vehicles used in a Head Start childcare program operated by the labor organization. Eight were signed by the Director for the Head Start-State Collaboration Project, who either identified as being a member of the Governor’s Cabinet on Children and Family or as a representative of the Department of Health and Human Resources Bureau for Children and Families (BCF).
- All seven of Integrated Resources, a private non-profit corporation that provides services to the disabled, vehicles’ title certification records include an affidavit signed by either the Commissioner for BCF or by the Director of the Governor’s Office of Economic Opportunity.
- Two of the Coalfield Community Action Partnership, Inc. vehicle title certifications also included affidavits from the Governor’s Office of Economic Opportunity.
- Finally, the Mineral County Aging & Family Services’ affidavit was signed by the Finance Director for the Bureau of Senior Services.

Seven affidavits were submitted by representatives of the organizations and were approved, despite being certified by individuals who did not represent the State of West Virginia. For instance, the Chief Financial Officer for the Coalfield Community Action Partnership, Inc. (CCAP) submitted an affidavit in 2009. On the form, he listed CCAP as the West Virginia agency and signed the form as a State Official. Three of the 15 vehicles from the Chestnut Ridge Public Service District (PSD) contained political subdivision affidavits. Two of the PSD’s affidavits were signed by the maintenance supervisor, while the third was signed by the Secretary/Treasurer. Whomever is responsible for reviewing and approving the forms at the DMV should have noticed that the individuals and organizations were not state agencies. The documentation in the files does not indicate that the DMV reviewed the forms, but the titles were issued.

The remaining 198 title certification records reviewed by PERD did not have affidavits, so it is unclear if the vehicles have state agency plates. PERD did not determine if the vehicles did or did not have state plates; however, there can be only three possible reasons for the inconsistency: (1) the DMV issued the state agency plates without the affidavit; (2) the vehicles do not actually have green plates and are improperly categorized in DMV’s information system(s); or, (3) the forms were lost or not filed. Based on the consistency in which the forms are missing, the Legislative Auditor concludes that the DMV either issued the

Seven affidavits were submitted by representatives of the organizations and were approved, despite being certified by individuals who did not represent the State of West Virginia.

198 title certification records reviewed by PERD did not have affidavits, so it is unclear if the vehicles have state agency plates.

license plates or miscategorized the vehicles in its system. Regardless, the DMV needs to determine whether these vehicles have state vehicle license plates and correct the issue.

The DMV Acknowledged the State Vehicle License Plates Were Issued to Non-State Entities.

In response to the Legislative Auditor's letter, the DMV Commissioner acknowledged that the plates were issued to non-government entities. These organizations incorrectly received the green state plates, according to the Commissioner, because they qualify for an exemption from paying sales tax and registration fees. The Commissioner stated:

“Based upon the information that has been reviewed by the Division, it appears that some political subdivisions were incorrectly issued green, State plates that are not state agencies, but which are exempt from the sales tax and registration fees. The Division plans to review and address this issue, including the policies and procedures that allowed it to occur.”

The Commissioner's final statement in the quote above implies that this issue with the plates occurred because the agency lacks adequate management controls in the policies and procedures for evaluating the affidavits. PERD requested an update from the DMV Commissioner on March 26, 2018, on the status of agency's review of policies and procedures and the correction actions the agency plans to take, but as of the issuance of this report, PERD has not received a response. **Therefore, the Legislative Auditor recommends that the Committee on Government Organization and Operations request the DMV Commissioner to provide a statement detailing the additional management controls the agency is establishing to prevent state vehicle license plates to non-governmental entities.**

Conclusion

The Legislative Auditor is concerned that several organizations are using these affidavits to apply for the registration of vehicles without paying annual registration fees. There is also a concern about whether vehicles owned by these organizations may legally display the governmental registration plates when the statute does not mention such organizations. The “State Vehicle Title, Registration, and Relicensing Project of 2018” provided for in the comprehensive fleet bill (House Bill 4015), passed during the 2018 legislative session, should relieve those concerns because the bill requires the issuance of new titles, registrations, and license plates to state agencies. The re-licensing project also requires

the DMV, in coordination with the FMD, to develop a standardized naming convention for each spending unit of the State for the registration, titling, and licensing of all state vehicles. That naming convention must align with the naming conventions in the State's central accounting system (i.e. OASIS), and the centralized state vehicle inventory system. House Bill 4015 also requires that the spending unit submit a statement that the vehicle being registered is a state asset recorded in OASIS and that the DMV must verify that the vehicle is properly listed within OASIS before issuing a title, license, or registration for that vehicle. Furthermore, by requiring agencies to renew the vehicles registration every two years (and reverifying the State's ownership of those vehicles through OASIS), the DMV should be able to reduce the number of vehicles improperly registered to unqualified entities.

While House Bill 4015 institutes new controls to prevent the improper issuance of state vehicle license plates to nonqualified entities; however, additional controls should be implemented, as part of DMV's policy, to verify that FMD has approved the addition or replacement of a state vehicle. Under the Fleet Management Rule, agencies must submit a vehicle request form to FMD notifying and requesting approval for the purchase of new or replacement vehicles, regardless of the means of acquisition. The FMD reviews the form and the director approves or declines the vehicles purchase and signs the form. The agency is then provided with the FMD's decision. If approved, the form is uploaded into the State's centralized accounting system (OASIS) as part of the inventory record. House Bill 4015 requires the DMV to confirm that each vehicle for which an agency applies for a license, title or registration is properly listed within the centralized accounting system. As part of its confirmation, the DMV could require the employee reviewing the record confirm that it contains an approved acquisition form from FMD, for all vehicles that meet the definition of a state vehicle as defined in the Fleet Management Rule. By doing so, the DMV would ensure that the FMD is aware and approved the vehicle's purchase. This would also prevent agencies from exploiting any potential loopholes in the new title and registration process that could create a situation similar to the one described in this issue. **Therefore, the Legislative Auditor recommends that the DMV confirm that the central accounting system's system of record for fixed assets contains a signed vehicle acquisition form for all vehicles that apply for a state license, title, or registration, as part of the process for licensing, titling, or registering state-owned vehicles, pursuant to West Virginia Code §17A-3-25.**

The Legislative Auditor recommends that the DMV require an approved vehicle request form from the FMD as part of the confirmation process for the title and registration of West Virginia state vehicles.

Recommendations

6. *The Committee on Government Organization and Operations should consider requesting the DMV Commissioner to provide a statement detailing the additional management controls the agency is establishing to prevent state vehicle license plates being issued to non-governmental entities.*

7. *The Legislative Auditor recommends that the DMV require an approved vehicle request form from the FMD as part of the confirmation process for the title and registration of West Virginia state vehicles.*

Appendix A Transmittal Letters

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

June 8, 2018

Kenny Yoakum, Director
Fleet Management Division
Building 17, Capitol Complex
2101 Washington St., E.
Charleston, WV 25305

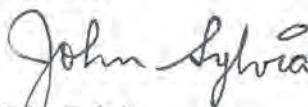
Dear Director Yoakum:

This is to transmit a draft copy of the Special Report on Fleet Management. This report is tentatively scheduled to be presented during the June 24-26 interim meetings of the Joint Committee on Government Operations, and the Joint Committee on Government Organization. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions committee members may have during or after the meeting.

We need to schedule an exit conference to discuss any concerns you may have with the report. We would like to have the meeting on Wednesday, June 13, 2018. Please notify us to schedule an exact time. In addition, we need your written response by noon on June 21, 2018 in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 304-340-3192 by Thursday, June 21, 2018 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,


John Sylvia

Enclosure

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

June 11, 2018

Dr. Gordon Gee, President
West Virginia University
1500 University Ave.
Stewart Hall
Morgantown, WV 26506

Dear President Gee:

This is to transmit a draft copy of Issue 2 of the Special Report on Fleet Management. Issue 2 discusses West Virginia University's state vehicles. This report is tentatively scheduled to be presented during the June 24-26, 2018 interim meetings of the Joint Committee on Government Operations, and the Joint Committee on Government Organization. We will inform you of the exact time and location once the information becomes available. If you would like to have a representative from your agency present at the meeting to orally respond to the report and answer any questions committee members may have during or after the meeting, please let us know prior to the meeting so we can make the committee staff aware.

If you would like to provide a written response to Issue 2, please submit it by noon on June 21, 2018, in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 304-340-3192 by Thursday, June 21, 2018 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink that reads "John Sylvia".

John Sylvia

Enclosure

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

June 11, 2018

Pat Reed, Commissioner
WV Division of Motor Vehicles
5707 MacCorkle Ave., Southeast
Charleston, WV 25317

Dear Commissioner Reed:

This is to transmit a draft copy of Issue 4 of the Special Report on Fleet Management. This report is tentatively scheduled to be presented during the June 24-26, 2018 interim meetings of the Joint Committee on Government Operations, and the Joint Committee on Government Organization. We will inform you of the exact time and location once the information becomes available. If you would like to have a representative from your agency present at the meeting to orally respond to the report and answer any questions committee members may have during or after the meeting, please let us know prior to the meeting so we can make the committee staff aware.

If you would like to provide a written response, please submit it by noon on June 21, 2018, in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 304-340-3192 by Thursday, June 21, 2018 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink that reads "John Sylvia".

John Sylvia

Enclosure

Joint Committee on Government and Finance

Appendix B

Objectives, Scope and Methodology

The Chairs of the Joint Committee on Government Operations, and the Joint Committee on Government Organization requested the Performance Evaluation and Research Division (PERD) review the fleet management practices of state agencies to determine if agencies are efficiently and effectively managing their vehicles. The Legislative Auditor conduct this report under the authority of *West Virginia Code §4-2-5*.

Objectives

The objectives of this review are as follows:

1. determine if the minimum 1,100 miles per month utilization standard, as established under the Fleet Management Rule, is at an efficient level;
2. determine the extent to which state agencies comply with the Fleet Management Rule's 1,100-mile minimum utilization standard (W. Va. Code of State Rules §148-3-9.1);
3. determine if state agencies allocate four-wheel drive vehicles to areas that receive significant snowfall; and
4. review DMV policies and practices to determine how non-state agencies received approval for state vehicle plates.

Scope

The scope of this review consists of vehicle records; maintenance, repair and operating costs; purchase prices; vehicle decommission information; mileage; and life-of-vehicle data provided by the Fleet Management Division (FMD), the Division of Motor Vehicles (DMV), and fleet coordinators from select agencies for state-owned vehicles in operation from July 1, 2013 to January 24, 2018. The scope also includes an examination of the DMV's policy and practices for vehicles that were reported to have green state license plates but were not vehicles owned by the State of West Virginia. Evaluating the DMV's practice in this respect included DMV data on vehicle registration and title information.

Methodology

For Issue 2, vehicle mileage vehicle information was collected from 18 agencies that owned vehicles but did not provide the required utilization data to FMD for fiscal years 2014 through 2016. Between February and March of 2017, PERD surveyed 47 agencies that either had no vehicles listed in the ARI fueling and maintenance database or that only had a portion of their vehicles in the database, to determine the number of vehicles that were not being reported to FMD prior to 2017. The 18 agencies in the analysis for Issue 2 were all the agencies that confirmed they had vehicles and had not been reporting data to FMD. Using the responses from the initial survey in Issue 2, PERD identified the 6 agencies that own four-wheel drive vehicles and have field offices spread out through the state for the analysis in Issue 3.

PERD gathered and analyzed several sources of information and conducted audit procedures to assess the sufficiency and appropriateness of the information used as audit evidence. The information gathered and audit procedures are described below.

PERD reviewed relevant statutes and legislative rules to determine the State's current regulations regarding fleet management. These statutes and legislative rules include House Bill 4015 from the regular session of the 2018 Legislature; *Code of State Rules* §148-3-1 et seq.; and, *W. Va. Code* §5A-1-1 et seq., §17A-3-1 et seq., §17A-10-8, and §6B-2-5(b).

PERD determined that the only utilization requirement for state-owned passenger vehicles was the 1,100 miles per month usage requirement. PERD utilized information captured by the FMD's contracted maintenance and fuel series provider (ARI) to evaluate all the relevant costs of purchasing and operating state vehicles. Maintenance and fuel costs are captured by the system when the operator takes the vehicle in to be serviced or purchases fuel with the vehicles fuel card. The FMD provided PERD with a spreadsheet containing a summary of vehicle information which included a breakdown of vehicle expenses, which PERD then used to calculate the cost per mile for the operation of each state-owned passenger vehicle. Additionally, PERD used the odometer information collected by the FMD or self-reported by agencies that do not use the fueling and/or maintenance services to evaluate the utilization of state vehicles as of January 2018. PERD also tested the consistency of the FMD data by comparing its aggregate data to the detailed vehicle reports. PERD did not find any discrepancies between the detail and summary data. PERD determined that the fuel and maintenance data are sufficient and appropriate.

For Issue 2, PERD conducted a survey of 47 state agencies to determine the number of state vehicles whose data were not being reported to the FMD as required under the Fleet Management Rule. After identifying the total number of agencies (18) and the corresponding number of unreported vehicles, PERD sent a second survey requesting the monthly odometer readings for all non-reported vehicles from June 1, 2013 to June 30, 2016. Many of the agencies did not have complete monthly odometer readings or mileage logs. Several agencies only provided annual odometer readings and could not provide the purchase date or service dates for the vehicles. Six agencies were not tracking monthly utilization information at all. West Virginia University was one of the agencies that did not track its utilization data, but provided PERD with data related to vehicles it decommissioned which included final odometer readings. PERD used these data to identify underutilized vehicles and to determine if the agency was following the FMD's recommended decommissioning standard of 5 years and 120,000 miles. While there was no way to corroborate the odometer or decommission information collected from the agencies, PERD reviewed the provided information for consistency and obvious errors. Any potential errors were documented and the agencies corrected or confirmed the accuracy of the information. Therefore, PERD determined that the data are sufficient and appropriate.

As part of the initial survey used for Issue 2, PERD asked the agencies' fleet coordinators to identify the vehicles home location and indicate if vehicles were two-wheel, four-wheel, or all-wheel drive. PERD identified the agencies from the initial survey that have field offices with vehicles assigned to them for the analysis of four-wheel drive allocation analysis. PERD obtained the 30-year average annual snowfall data from the *1981-2010 U.S. Climate Normals* data sets from the U.S. National Oceanic and Atmospheric Administration's (NOAA) National Centers for Environmental Information. Snowfall data were selected as the benchmark for both weather and as a proxy for terrain. PERD used the weather station locations and the average snowfall data from those stations to determine if a county should be categorized as low, medium, or high snowfall. Some counties did not have weather stations listed in the data set and some counties had multiple stations. PERD identified the counties with no information in the report and used the highest averages for counties with multiple locations. PERD then compared the vehicle locations with the snowfall data to determine the percentages of vehicles assigned to high, medium, and low snowfall counties. As the results of that analysis were reviewed, PERD observed a significant number of vehicles were assigned to Kanawha County. PERD then used the subsection assignment information from the initial survey to determine the number of four-wheel drive vehicles in Kanawha County that are assigned to administrative offices and the number of vehicles assigned to field offices. PERD reviewed the vehicle location information provided by

the agencies, documenting inconsistencies or obvious errors, and received confirmation and corrections from the agencies as the means to corroborate the accuracy of the data provided by the agencies. Therefore, PERD concluded that the data were sufficient and appropriate for the analysis of four-wheel drive allocation.

Issue 4 is a follow-up to the Legislative Auditor's Post Audit Division's special report on Fleet Management, which found, in part, that the DMV did not have complete and accurate records of the organizations it issued green, state vehicle license plates to. Post Audit identified 1,680 vehicles that were owned and operated by organizations that are not agencies of the State of West Virginia but were issued state plates according to the DMV. In order to determine if the DMV is authorized under West Virginia Code and Rules to issue state agency license plates to organizations that are not West Virginia State agencies, PERD obtained a legal opinion from the Legislative Services Division. The legal opinion confirmed that only state-owned vehicles should receive state license plates. PERD also obtained a copy of the spreadsheet of organizations issued state vehicle license plate that the DMV provided to Post Audit. PERD then sampled 20 organizations from that list and requested from the DMV title and registration information on all vehicles titled to those organizations to determine if the documentation provided any evidence that would show how the organizations obtained the plates. PERD reviewed the files provided by the DMV to see if they contained political subdivision affidavits, which the DMV used as its required documentation for the issuance of state agency plates to determine if the files contained the required documentation, and if so, the names, titles, and organizations of the individuals who signed the forms. The registration and title information provided by the DMV was deemed to be sufficient and appropriate since the DMV is the authoritative source for this information.

PERD conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that PERD 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. PERD believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C

West Virginia Legislative Services Legal Opinion

CONFIDENTIAL INTERNAL MEMORANDUM & ATTORNEY WORK PRODUCT
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LEGISLATIVE SERVICES **MEMORANDUM**

TO: Keith Brown
Richard Anderson
FROM: Doren Burrell
SUBJECT: Use of special vehicle registration plates
DATE: June 2, 2017

This memorandum is a response to your questions about use of governmental license plates on vehicles that are not owned by the state or its political subdivisions. Your questions are as follows:

1. Is it lawful under WEST VIRGINIA CODE §17A-3-23, or any other section, for organizations that are not political subdivisions of the State to have state government license plates? Would some types of organizations qualify for such plates even if others may not?
2. Is it lawful for political subdivisions of the State to submit Political Subdivision Affidavits for organizations that are not state agencies or political subdivisions?

Conclusion

The Legislature has created several special categories of vehicle registration plates for governmental subdivisions, but it did not provide any categories for quasi-governmental or non-governmental organizations for such special plates, nor has it named or defined these organizations to be included within the terms 'state,' 'county' or 'municipality.' Permitting these organizations to register as a political subdivision owner of a vehicle is a violation of state ethics and criminal laws. Political subdivisions should not be submitting Political Subdivision Affidavits for vehicles that are not actually owned or leased by those state, county or municipal subdivisions.

Analysis

The West Virginia Code requires registration for nearly every type of motor vehicle that is driven or moved upon a public highway, W. VA. CODE §17-3-2. It is a misdemeanor for any person to drive, or for an owner of a vehicle to permit any person to drive, an unregistered vehicle upon a

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public highway, W. VA. CODE §17-3-1. For purposes of registration and titling of motor vehicles, a corporation, association, partnership, company or firm is considered to be a resident of this state and subject to these registration laws if the principal place of business of the organization is in this state, W. VA. CODE §17-3-1A. When a person registers a motor vehicle, the Division of Motor Vehicles issues a registration plate, also known as a license plate, W. VA. CODE §17A-3-14, and the person is required to attach the plate to the vehicle as evidence of registration, W. VA. CODE §17A-3-15. The DMV collects fees for registration of the vehicles and, in many cases, for the issuance of the plate.

There are special requirements when the vehicle is owned by the state or by a municipality or county of the state. Requirements for special registration plates are described in W. VA. CODE §17A-3-23. Apart from a few limited exceptions, cars that are owned or leased by the state of West Virginia must use a clearly-designated registration plate and no other, W. VA. CODE §17A-3-23(p). The statute, however, does not clearly say whether these special plates may be used on vehicles registered by other owners.

The statute also provides special registration plates for vehicles owned by counties, municipalities, county sheriffs, municipal law enforcement agencies, public transit authorities and the Civil Air Patrol. These Code provisions, though, do not have any language expressly limiting the use of these plates to the respective entities named.

However, since the statute goes into detail as to which entities must use the specially-created plates, this triggers a principle of statutory construction that excludes entities that are *not* listed in this statute. The legal principle is stated in Latin as “*expressio unius est exclusio alterius*” and it means that when one or more things of a class are expressly mentioned, others of the same class are excluded. The rationale behind this principle is that since the Legislature took the time to write special provisions for sheriffs’ departments, public transit authorities and Civil Air Patrol vehicles, then the Legislature could also have, for example, made a provision for public service district vehicles. Since the Legislature did not include PSD’s, quasi-governmental entities, community organizations and other types of organizations, therefore, they did not intend to cover them.

Why is this significant? The simple reason is registration fees. The West Virginia Code provides that “[a]ny vehicle owned or operated by the United States government, the State of West Virginia or any of their political subdivisions” is exempt from the payment of registration fees, W. VA. CODE §17A-10-8(1). Thus, an organization that obtains a county or municipal government registration

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plate could avoid paying annual registration fees for the life of any vehicle so registered. The Legislature created a very limited set of exemptions from registration fees in W. VA. CODE §17A-10-8 and this set does not include any community service agencies except those using a vehicle exclusively for a Head Start program.

As explained above, a resident corporation, association, partnership, company or firm is a person for purposes of motor vehicle registration under W. VA. CODE §17-3-1a, and must annually register any vehicle owned and operated by the organization. Since non-governmental organizations, non-profit corporations and community associations are not listed as exempt in W. VA. CODE §17A-10-8, these entities should be paying registration fees for any vehicle that they own and operate on public highways.

This situation may be slightly different for public service districts, though. A case may be made that public service districts may be exempt from the payment of registration fees because they qualify as “political subdivisions of the state.” That is a matter to be decided between the DMV and the PSD’s. If the DMV determines that PSD’s should be exempt from registration fees, that would still not qualify them to use “County” registration plates unless their vehicles are formally owned and titled in the name of the county where the PSD is located.

My conclusion, therefore, is that a public or quasi-government organization that is not actually a unit of a local government entity, either county or municipal, may not use the specially-designated “State,” “County,” or “Municipal” registration plates that are described in W. VA. CODE §17A-3-23.

Now, therefore, I proceed to your second question, “May political subdivisions or their employees submit Political Subdivision Affidavits for organizations that are not state agencies or political subdivisions?” In looking at the Code, it is apparent that this question goes right to the heart of the registration fee issue. The Political Subdivision Affidavit is required under the provisions of W. VA. CODE §17A-10-8(1): the same subdivision exempting governmental vehicles from payment of registration fees. This context shows that the purpose of filing a Political Subdivision Affidavit is to apply for the exemption from registration fees. Under the analysis provided above, non-governmental organizations are not exempt from these fees and, therefore, no person should be submitting a Political Subdivision Affidavit for an organization that is not a subdivision of a state, county or municipal government.

Registering, or applying to register, a non-governmental vehicle with a governmental registration

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plate is a violation of law and may carry significant consequences for those involved in such an act. If a public employee submits a Political Subdivision Affidavit on behalf of a non-governmental entity, the employee may be found guilty of misdemeanor offenses under W. VA. CODE §17A-3-23(t) (violation of governmental registration requirements) or W. VA. CODE §17A-3-3 (submitting a false statement in application for registration) and may also be found to violate the state ethics law prohibiting use of private office for the gain of a private entity, W. VA. CODE §6B-2-5(b). It would also be a violation of this Ethics Act provision if a DMV employee were to issue a governmental plate with the knowledge that the vehicle is not owned by a governmental entity. If a non-governmental agency were to obtain a governmental registration plate and not pay the required registration fee, the Division of Motor Vehicles has the authority to revoke the registration of the vehicle involved or refuse to issue registration for it, W. VA. CODE §17A-3-3(e).

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ATTORNEY'S STATEMENT ON CONFLICTS OF INTEREST

The foregoing memorandum is a response to request for legal interpretation and guidance. Attorneys in the Division of Legislative Services are not performing the audit work in these instances. They are providing legal opinions relating to the audits based on information provided to them by your office, and generally have no contact with anyone in the audited agency.

However, it should be noted that attorneys are bound by the Rules of Professional Conduct, which establish standards for professional competence and ethical conduct.

Rule 1.7 relates to Conflict of interest: general rules and states:

- (a) A lawyer shall not represent a client if the representation of that client will be directly adverse to another client, unless:
 - (1) the lawyer reasonably believes the representation will not adversely affect the relationship with the other clients; and
 - (2) each client consents after consultation.
- (b) A lawyer shall not represent a client if the representation of that client may be materially limited by the lawyer's responsibilities to another client or to a third person, or by the lawyer's own interests, unless:
 - (1) the lawyer reasonably believes the representation will not be adversely affected; and
 - (2) the client consents after consultation. When representation of multiple clients in a single matter is undertaken, the consultation shall include explanation of the implications of the common representation and the advantages and risks involved.

Rule 1.11 provides:

- (c) Except as law may otherwise expressly permit, a lawyer serving as a public officer or employee shall not:
 - (1) participate in a matter in which the lawyer participated personally and substantially while in private practice or nongovernmental employment, unless under applicable law no one is, or by lawful delegation may be authorized to act in the lawyer's stead in the matter; or
 - (2) negotiate for private employment with any person who is involved as a party or as attorney for a party in a matter in which the lawyer is participating personally and substantially, except that a lawyer serving as law clerk to a judge, other adjudicative officer or arbitrator may negotiate for private employment as permitted by Rule 1.12(b) and subject to the conditions stated for Rule 1.12(b)
- (d) As used in this Rule, the term "matter" includes:
 - (1) any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter involving a specific party or parties, and

**CONFIDENTIAL INTERNAL MEMORANDUM & ATTORNEY WORK PRODUCT
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(2) any other matter covered by the conflict of interest rules of the appropriate government agency.

If there is a conflict of interest that an attorney identifies or is identified to have regarding a legal question that your office poses, that attorney will take no further part in the rendering of an opinion, or any discussion regarding, said legal question.

My signature below indicates that I have no knowledge of any conflict of interest regarding this legal opinion, and that I am fully in compliance with the Rules of Professional Conduct for Attorneys

/s/ Doren Burrell

June 2, 2017

LEGISLATIVE SERVICES

MEMORANDUM

TO: Keith Brown
Richard Anderson

FROM: Doren Burrell, Staff Attorney

SUBJECT: Use of special vehicle registration plates - SUPPLEMENTAL

DATE: June 5, 2018

This is a supplement to my previous Memorandum of June 2, 2017, relating to the use of special registration plates on vehicles owned by non-governmental organizations.

QUESTION: Did the 2018 state fleet management bill, H.B. 4015, make any changes to the West Virginia Code that would help to ensure that governmental vehicle license plates are not issued to non-governmental organizations.

ANSWER: Yes, there are a couple of new provisions that are likely to reduce the frequency of misuse or improper registration of motor vehicles, although the effectiveness of these measures has yet been tested. The Division of Motor Vehicles has an express mandate to develop new legislative rules through which additional safeguards may be established.

DISCUSSION

The West Virginia Legislature passed H.B. 4015 during its 2018 Regular Session and this bill enacted many changes to the procedures for the registration, inventory, and management of vehicles owned by the State of West Virginia and, to a lesser extent, vehicles owned by political subdivisions. This act was further amended by H.B. 105 of the First Extraordinary Session of 2018. These bills do contain some provisions to require that motor vehicles are properly identified as state property and that only state vehicles are registered with the special governmental license plates.

As an initial step, H.B. 4015 requires the Commissioner of Motor Vehicles to develop a standardized title and registration system for all state vehicles in a new Code section, §17A-3-25. Instead of using any variation of any agency name or an abbreviation to title and register a vehicle, the Division of Motor Vehicles will now identify vehicles solely under the agency name listed in

the state's central accounting system.

Once the agency names have been standardized, the Code requires that all state vehicle registrations be renewed under the standardized names. When each registration occurs, the Code requires a two-step process to verify that the vehicle is, in fact, a state-owned vehicle. First, the state spending unit must submit a statement that the vehicle is a state asset recorded in the central accounting system, W. VA. CODE §17A-3-23(u), and, second, the Division of Motor Vehicles must verify that the vehicle is properly listed within the central accounting system before issuing a title, license, or registration for that vehicle, W. VA. CODE §17A-3-25(e).

[When H.B. 4015 was passed, it required that the state spending unit submit a statement of ownership “under penalty of perjury”, but the perjury declaration was later removed in H.B. 103 during the First Extraordinary Session in May 2018. Spending units are still required, however, to submit a statement of ownership to the DMV when titling or registering a vehicle.]

These provisions are the keystone steps for the State Vehicle Title, Registration, and Relicensing Project of 2018 established by H.B. 4015. By requiring all state vehicle registrations to be renewed and verified, these measures should reduce the number of vehicles, no longer owned by the state, listed in state inventory or registered to a state agency. Although nothing can prevent the intentional false registration of a vehicle, the requirement for the DMV to verify the vehicle's ownership through the central accounting system should reduce the number of vehicles improperly registered through negligence or oversight.

In addition to these essential requirements in the bill, H.B. 4015 also directs the Commissioner of Motor Vehicles to propose emergency and legislative rules to implement the State Vehicle Title, Registration, and Relicensing Project of 2018 and to establish the standard naming conventions for identifying the spending units for titling and registration, W. VA. CODE §17A-3-25(b). The bill also gives the Commissioner the authority to enforce these rules and to reject applications for title, registration, and license plates if those applications do not comply with the law. This authority, combined with the power of the Commissioner to “adopt and enforce any rules that are necessary to carry out the provisions” of Chapter 17A of the Code, see W. Va. Code §17A-2-9(b), give the Commissioner the opportunity to set out additional specifications and procedures to reduce mistakes and oversights in the re-registration of state-owned vehicles and future registrations of new vehicles.

Appendix D Agency Responses



JOHN A MYERS
CABINET SECRETARY

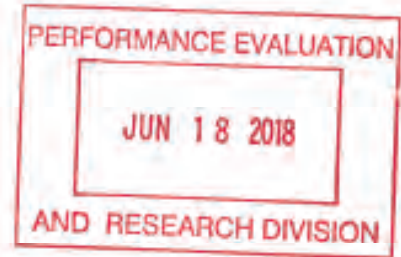
STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
FLEET MANAGEMENT DIVISION
2101 WASHINGTON STREET, EAST
P.O. BOX 50121
CHARLESTON, WEST VIRGINIA 25305-0121



KENNY H. YOAKUM
DIRECTOR

June 18, 2018

John Sylvia, Director
West Virginia Legislature
Performance Evaluation and Research Division
Building 1, Room W-314
1900 Kanawha Blvd., East
Charleston, West Virginia 25305



Re: Special Report on Fleet Management, June 8, 2018

Dear Mr. Sylvia,

Thank you for the opportunity to provide a written response to the Special Report on Fleet Management dated June 8, 2018. We appreciate the hard work that your staff has put into this topic and are pleased to have the opportunity to provide agency input into your research.

Issue 1: The 1,100 miles monthly minimum utilization requirement for state-owned vehicles is at a cost-efficient level, and the benefits of increasing it would be offset by disapproving justified purchases of vehicles.

Recommendations

1. *The monthly minimum miles of 1,100 should remain the utilization standard for efficient fleet management.*
2. *Commuting mileage should not be considered part of the monthly mileage utilization calculation for compliance with the Fleet Management Rule.*
3. *If a state agency cannot meet the minimum utilization requirement, then it should consider alternatives for its employees' travel such as pool vehicles, rentals and reimbursing employees for personal vehicles.*

John Sylvia
June 18, 2018
Page 2

The Fleet Management Division (FMD) generally agrees with Recommendations 1 and 3. The FMD provides agencies real-time data and tools to manage their vehicles and make business decisions related to when vehicles should be replaced, reassigned to other purposes, or if alternatives would better serve the agency. Legislation passed during the most recent Regular Session and Special Session will likely remedy through required reporting many of the problems in vehicle utilization identified by the Legislative Auditor over the course of the review of state vehicles.

As for Recommendation 2, further discussion is warranted. The FMD would agree that any personal miles should be excluded from a minimum monthly mileage calculation. Personal miles are distinguished from commuting miles by the Internal Revenue Service (IRS). The IRS considers commuting to be for a bonafide business purpose, thus if an employee is commuting from his or her home to a workplace, there must be a legitimate business reason for that use, for example, the employee serves in a public safety capacity, and is "on call" around the clock. An "on call" employee such as this would require the use of a state vehicle to respond to emergencies outside of normal business hours. However, if on any given day there is no emergency to respond to, the employee would go to a regular workplace. If this recommendation is adopted, the miles traveled to the regular workplace would be excluded from a minimum monthly mileage calculation. If there are no emergencies to respond to outside of normal business hours in a particular month, the employee would likely be well below the minimum monthly mileage threshold. The failure to meet the minimum monthly mileage threshold alone, in this situation, should not be the deciding factor in whether an "on call" employee is assigned a state vehicle. If an employee's job duties include responding to emergencies around the clock, then the use of a state vehicle helps the employee fulfill those duties and is a bonafide business reason to have the vehicle readily available at the employee's residence. For this reason, it would make sense to include all business miles (including commuting miles) in a minimum monthly mileage calculation. Importantly, the FMD's rule strictly prohibits using a state vehicle for personal miles, therefore, if there is no business justification for the employee to commute from his or her home to a workplace, the vehicle should not be assigned to an employee for commuting. While this practice may occur without the FMD's knowledge, it is up to the agency leadership to ensure that vehicles used for commuting are in fact for a bonafide business purpose, so that its use constitutes business miles, not personal miles.

Issue 2: It is important that all state spending units comply with the FMD rule on guidelines for proper management of motor vehicles.

Recommendation

- 4. State agencies should regularly review their fleet's utilization data and work with the Fleet Management Division to identify and dispose of underutilized vehicles that are not mission critical.*

John Sylvia
June 18, 2018
Page 3

The FMD agrees with the recommendation.

Issue 3: State agencies are allocating four-wheel drive vehicles to areas of the state that receive significant snowfall; however, a number of vehicles are questionably assigned to administration and/or executive offices within most agencies reviewed.

Recommendation

5. *West Virginia state agencies should consider the job responsibilities of employees or units that the vehicle will be assigned to when purchasing vehicles with special features such as four-wheel drive that increase the purchase price.*

This recommendation does not directly affect the FMD, as the FMD has no role in the allocation or assignment of state vehicles to individual employees.

Issue 4: The West Virginia Division of Motor Vehicles does not have adequate management controls in place to ensure state agency license plates are only issued to the appropriate entities.

Recommendations

6. *The Committee on Government Organization and Operations should consider requesting the DMV Commission to provide a statement detailing the additional management controls the agency is establishing to prevent state vehicle license plates being issued to non-governmental entities.*
7. *The DMV should confirm that the central accounting system's system of record for fixed assets contains a signed vehicle acquisition form for all vehicles that apply for a state license, title or registration, as part of the process for licensing, titling, or registering of state-owned vehicles, pursuant to West Virginia Code §17A-3-25.*

Recommendations 6 and 7 do not affect the FMD, therefore the FMD has no comment on them.

John Sylvia
June 18, 2018
Page 4

If you would like to discuss any of the above, we would be happy to schedule a time to do so. We look forward to continuing to work with your office on researching these important issues.

Thank you.

Sincerely,

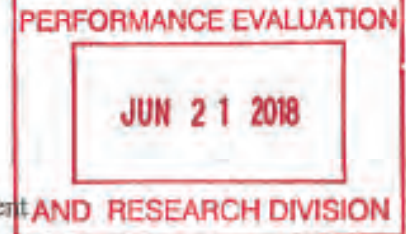


Kenny Yoakum, Director
Fleet Management Division

KY/jhj



June 21, 2018



Re: WVU Response to Issue 2 of the Special Report on Fleet Management

Thank you for the opportunity to respond to this Special Report issued by the Performance Evaluation and Research Division of the West Virginia Legislature ("PERD"). We welcome the opportunity to learn more about vehicle utilization and issues related to underutilization identified by PERD's Special Report. We take PERD's concerns seriously.

First, in response to the University's failure to report vehicle mileage, we now require our departments to report the mileage of their vehicles monthly. These mileages are recorded and stored centrally by the West Virginia University Motor Pool ("WVU Motor Pool") along with all relevant vehicle information. This information will be used to help evaluate and determine when underutilization is justified, and will allow the University to identify and remedy unjustified underutilization.

Second, in response to the underutilization concerns raised by the report, the University intends to seek waivers and exemptions of the utilization requirements where appropriate and allowed by law, and sell or decommission vehicles that are unjustifiably underutilized. We believe that an exemption is contemplated by statute and is warranted – there are issues and factors unique to the University that are unavoidable and lead to less than 1,100 miles of monthly use for a significant portion of University vehicles.

Part of this justification is the nature of the University itself. The University's fleet of vehicles is mostly limited to travelling around its approximately 8 square-mile campus. Given the extreme elevation changes around the University's campus, vehicle travel is more efficient, and indeed sometimes necessary, for even short trips to different areas of campus. Additionally, a lower utilization point is usually justified as the University is uniquely equipped to provide in-house service and maintenance to vehicles, as well as state inspections, and it does so right on campus where the vast majority of the vehicles are stored. University owned vehicles therefore have lower overhead than most state-owned vehicles, and thus a lower minimum utilization is likely justified. Because of these factors, the University believes that it is in the best interest of the State for the University to consider each vehicle on a case-by-case basis to determine whether seeking a waiver or exemption from the utilization requirements is appropriate, or, if unjustified, the vehicle should be decommissioned and/or sold.



The University intends to continue to seek efficient and effective ways to meet the minimum utilization requirements and will seek exemptions and waivers where appropriate. It will also continue to develop a more efficient and accurate way to track and report vehicle usage throughout the University and take any appropriate steps to make sure the University is compliant with applicable requirements.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Solomon'.

Clement Solomon Ph.D.
Director
Transportation and Parking

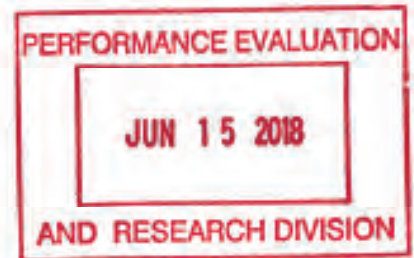


*Legibus Exiis
Civibus Noverunt*

State of West Virginia
Department of Veterans Assistance

June 15, 2018

John Sylvia, Director
Performance Evaluation and Research Division
Building I, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610



Dear Mr. Sylvia:

As requested with your letter of June 11, 2018 please find my response.

1. Vehicles are purchased by the WV Department of Veterans Assistance and leased to the Beckley, Clarksburg, Huntington, Martinsburg and Pittsburg federal Veterans Administration Hospitals to transport veterans to and from their medical appointments. The federal Veterans Administration pays for fuel, maintenance and upkeep of these vehicles. At the time that this discrepancy was discovered, the WV Department of Veterans Assistance was not reporting vehicle mileage to the Fleet Management Office for these vehicles. We currently have a process in place and have rectified the issue. We are now reporting monthly vehicle mileage to the WV Fleet Management Office.

If you have any questions, please contact me at 304-558-3661

Sincerely,

Mike Lyons
Operations Manager
West Virginia Department of Veterans
Assistance

1900 Kanawha Boulevard East, Building 5, Suite 205, Charleston, WV 25305 | (304) 558-3661

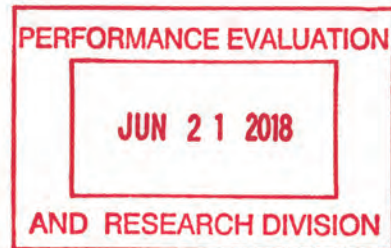


DIVISION OF NATURAL RESOURCES
324 4th Avenue, Room 342
South Charleston, West Virginia 25303-1228
Telephone 304-558-2754
Fax 304-558-2768
TDD 304-558-1439
TDD 800-354-6087

Stephen S. McDaniel
Director

June 19, 2018

Mr. John Sylvia
West Virginia Legislature
Performance Evaluation and Research Division
Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610



Dear Mr. Sylvia:

In response to your letter dated June 11, 2018, the West Virginia Division of Natural Resources (DNR) is pleased to provide the following information regarding the Special Report on Fleet Management.

Issue 1: The 1,100 Miles Monthly Minimum Utilization Requirement for State-Owned Vehicles Is at a Cost-Efficient Level, and the Benefits of Increasing It Would Be Offset by Disapproving Justified Purchases of Vehicles.

The DNR's use of vehicles is unique, due to our agency's mission and the various functions we perform. Many of our fleet vehicles serve special purposes, and they are used to perform critical functions throughout the agency and across the state.

Most of the Parks and Recreation Section vehicles will not meet the 1,100-mile per month standard because these vehicles do not leave the Park or Forest to which they are assigned. These vehicles are, however, used multiple times each day by several employees working different shifts, and they are essential to the daily operations of the Park/Forest. The Law Enforcement Section operates boat towing vehicles that are utilized for towing large patrol boats and undercover vehicle. While these trucks and undercover vehicles are not used every day, they are specialty vehicles and essential to Law Enforcement operations. Special-use vehicles operated by the Wildlife Resources Section that do not meet the 1,100 monthly utilization threshold include dump trucks, maintenance vehicles, hatchery trucks and stocking trucks. While many of these vehicles are used only seasonally, they are essential to the core operations of the Wildlife Resources Section.

Page 2
PERD
06/19/2018

A 2016 Ford F-350 belonging to the DNR was listed in the draft report as the vehicle with the third highest operating cost per mile in the fleet. This vehicle is assigned to a vacant Wildlife Manager position associated with the elk restoration program in southern West Virginia. Despite repeated effort, the Wildlife Resources Section has been unable to hire a qualified candidate to fill the position. As a result, the vehicle has seen limited use by seasonal technicians working on the Tomblin Wildlife Management Area. We expect to fill the vacant Wildlife Manager position soon. When that personnel action is finalized, the vehicle will see increased use, be brought into compliance with fleet rules, and greatly reduce its operating cost per mile.

The Parks and Recreation Section, Wildlife Resources Section, and Law Enforcement Section have special-use vehicles, many with equipment specific to needs of the vehicle and its driver. The use of rental or personal vehicles would not provide these required features and therefore does not provide the agency with a feasible option.

Issue 2: It Is Important That All State Spending Units Comply With the FMD Rule on Guidelines for Proper Management of Motor Vehicles.

Due to efficiency and cost-savings purposes, the Parks and Recreation Section of the DNR has many vehicles that do not utilize Fuel and Maintenance Services provided by the Fleet Management Division (FMD). A significant number of Parks have their own garages and staff for vehicle maintenance purposes. In addition, many of these Parks utilize bulk fuel supply. It should be noted that in 2017 189 vehicles belonging to the Parks and Recreation Section were given under-utilization exemptions from FMD.

In 2017, the DNR retired 84 vehicles as part of a fleet reduction process. This action resulted in an overall fleet reduction rate of 14% for the DNR. This fleet reduction rate was larger than that experienced by any other state agency. This significant decrease in agency vehicles has adjusted our operations to a level where any further reduction in our fleet, including eliminating vehicles not meeting the 1,100-mile minimum monthly utilization threshold, would result in significant negative impacts to critical services and prevent the DNR from fulfilling its mission.

Issue 3: State Agencies Are Allocating Four-Wheel Drive Vehicles to Areas of the State That Receive Significant Snowfall; However, a Number of Vehicles Are Questionably Assigned to Administrative and/or Executive Offices Within Most Agencies Reviewed.

The mission of the DNR requires vehicles to travel not only in snow, as referenced in the audit report, but to be equipped to operate off-road and in adverse terrains. Due to the nature of our agency's work, four-wheel drive vehicles are needed for normal operations, including the following activities: off-road vehicle use for wildlife population monitoring and research; wildlife habitat assessment and enhancement; wildlife damage investigation and abatement; operation and maintenance of Parks, Forests and Wildlife Management Areas; law enforcement patrols on the state's lands and waters.

Page 3
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06/19/2018

We appreciate the opportunity to comment on the draft Special Report on Fleet Management and request that you consider the unique nature of the DNR's work, as you finalize the document. Should you have questions or require additional information relating to these matters, please contact our agency's Fleet Coordinator, Justin Pettry, at (304) 747-6314.

Sincerely,



Stephen S. McDaniel

SSM:jrp

CC:

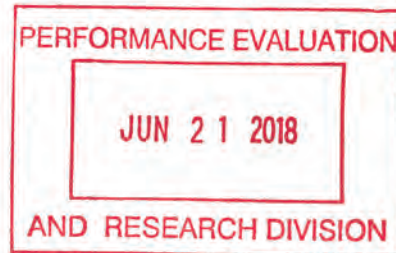
W. Clayton Burch, Acting Cabinet Secretary, Department of Commerce
Wesley H. White, Deputy General Counsel, Department of Commerce
Verena M. Mullins, Chief of Administration, Division of Natural Resources



Office of the President
1201 Locust Avenue • Fairmont, West Virginia 26554
Phone: (304) 367-4151 • Fax: (304) 367-4580
Mirta.Martin@fairmontstate.edu • fairmontstate.edu

June 20, 2018

John Sylvia
Director
West Virginia Legislature
Performance Evaluation and Research Division
Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610



Re: Response to notification of inclusion in Special Report on Fleet Management; Issue 2

Dear Mr. Sylvia,

This response is in reference to your letter dated June 11, 2018 notifying Fairmont State University of its inclusion in a Special Report on Fleet Management. Specifically, Fairmont State University was mentioned in Issue 2 of the report concerning compliance of Fleet Management Division's (FMD) rules and proper management of our fleet of motor vehicles.

Issue 2 references the claim by several agencies to be exempt from the FMD rule. They cite FMD rule exemption based on these agencies' exemption from state purchasing. Fairmont State University, as a higher education institution, understood it was exempt from FMD rule for the aforementioned reason. While the institution operated under the exemption of submitting monthly utilization data, it is important to note that Fairmont State University continued to report the purchase and decommission of vehicles.

Table 4 indicates that Fairmont State University did not submit utilization data between 2014 and August 2016 for 26 vehicles. These data are accurate because at the time, the institution operated under the FMD exemption rule. Thereafter, the exemption rules were modified and in September 2016, Fairmont State University was notified that the institution no longer fell under the exemption parameters. Fairmont State University immediately complied with the new ruling, and began submitting monthly utilization data to FMD on September 2016. We have since submitted the required reports on a timely basis. It should be noted that FMD had no mechanism in place prior to September 2016 to collect utilization data for those state agencies, like Fairmont State University, that did not utilize FMD's fueling and maintenance services.

The FMD rule specifies that all state agencies have the responsibility to monitor proper use of their vehicles and utilize them a minimum of 1,100 miles per month. Fairmont State University currently has a fleet of 32 vehicles; 4 utilized by Athletics (1 on long-term lease), 8 utilized by Campus Police (1 used for training), 19 utilized by Physical Plant and 1 dealer vehicle used by the President. The majority of the vehicles in our fleet will not meet the 1,100 mile rule. Not unlike many other state institutions, including WVU, Fairmont State University's campus has a very steep terrain, which makes it difficult to complete needed tasks without proper motor vehicles. Although most of our motor vehicles do not accumulate high mileage, the hourly usage in most of the vehicles is significant.

We respectfully submit that using mileage as the *only* variable to gauge proper usage is an unfair and inappropriate measurement to determine utilization.

Fairmont State University maintains its own vehicles. We do everything possible to extend the life of the vehicles and maximize their usage before requesting that they be decommissioned. The average age of our current fleet is approximately 10 years old, well beyond the required 5 years for decommissioning. Because of this on-going maintenance, it is fair to say that Fairmont State University only decommissions vehicles that require repairs or maintenance where the cost to repair cannot be justified based on the remaining life of the vehicle.

As motor vehicles are decommissioned, Fairmont State University's Physical Plant plans to move toward using utility vehicles to maneuver more efficiently around campus. However, some motor vehicles will still be required for critical functions, among which are transportation to off-campus locations, and special purposes including but not limited to snow removal, hauling equipment, large materials or waste.

Further, Campus Police vehicles are essential to carry out the mission and activities related to safety and security of our staff and students. These vehicles are mission-critical to ensure all necessary services to our campus community are delivered.

As good stewards of public funds, Fairmont State University will continue to explore cost effective strategies to extend the life of our existing fleet as opposed to incurring additional expenses due to increasing or replacing fleet vehicles.

Fairmont State University complies with all rules currently in place by the Fleet Management Division regarding vehicle utilization, with the exception of monthly mileage usage. We believe the justification provided in this narrative is prima fascia evidence of the need to exempt Fairmont State University from the FMD rule.

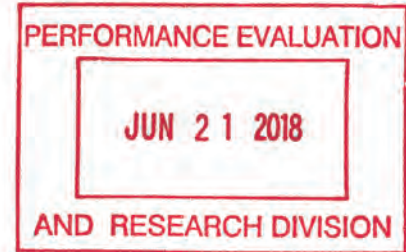
Respectfully submitted,



Mirta M. Martin, PhD
President
Fairmont State University

June 20, 2018

Re: Concord University
Issue 2 Response



Dear Sir/Madam:

I am writing in response to the draft of Issue 2 of the Special Report on Fleet Management, and Concord University's inclusion thereto.

Although Concord University files Agency Fleet Utilization Exemption Requests, we have complied with all utilization data requests from FMD over recent years. Furthermore, beyond monthly odometer readings now provided, we are developing internal methodologies to capture more granular information on our fleet, in-house fuel usage, and in-house maintenance.

While our fleet vehicles will, on average, continue to fall below the 1,100 miles per month standard, our small fleet is necessary for the ongoing purpose and functioning of the agency. Our rural campus and faculty housing spreads across approximately 150 acres necessitating the use of these vehicles.

Twenty of our 26 fleet vehicles are used daily for campus operations, to include maintenance (13), campus police (3), mail (1), receiving (1), and physical education (2), transporting not only people but equipment, supplies, mail, and bulk freight. Many of them are used cross-functionally.

The remaining 6 vehicles are used for transport of faculty and students to/from airports, sports games, special events, field trips, agency business, etc. Four of these 6 are Transit Vans, leased 9 months annually, to transport groups.

While the 1,100 mile per month standard may be considered efficient and cost-effective for agencies with larger fleets and purposes that lead to driving 1,100 miles per month or more, it might be suggested that a graduated utilization criteria be developed that takes into consideration the size, mission, and location of the varying types of state agency.

Please let me know if you have any questions.

Sincerely,

C. Wayne Hebb
Agency Fleet Coordinator
Concord University

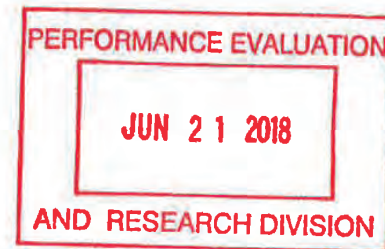


**WEST VIRGINIA
DEPARTMENT OF TRANSPORTATION**
1900 Kanawha Boulevard East • Building Five • Room 109
Charleston, West Virginia 25305-0440 • (304) 558-0444

Thomas J. Smith, P. E.
Cabinet Secretary

June 19, 2018

Director John Sylvia
West Virginia Legislature
Performance Evaluation and Research Division
1900 Kanawha Boulevard, East
Building 1, Room 314W
Charleston, WV 25305



Dear Director Sylvia:

Thank you for your letter, dated June 11, 2018 in reference to the draft copy of the Special Report on Fleet Management. This report will be discussed during the June interim meetings of the Joint Committee on Government Operations and the Joint Committee on Government Organization.

Below is the written response related to Issue 3 of the Special Report for West Virginia Division of Highways (WVDOH):

“Snowfall” would not be the only reason why WVDOH would purchase a 4-wheel drive or all-wheel drive vehicle. Operations respond to flooding and other inclement weather conditions that warrant a 4-wheel drive vehicle. Most, if not all of our construction projects have steep grades and slippery slopes. Engineering, Design, Right of Way are required to navigate projects sites. Out of the 36,000 road miles, over 28,000 miles are classified as state and local service (SLS). Of the 28,000 miles of SLS, 11,000 miles are classed as stabilized, soil surface, unimproved, and primitive. Management staff must have the ability to review road conditions, maintenance issues, and complaints on these types of roads as well.

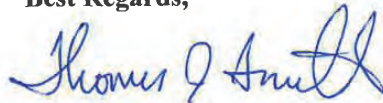
Currently, WVDOH transportation vehicle replacement criteria is 150,000 miles and a minimum age of 5 years. This criteria is more than that of Fleet Management Division 120,000 miles and 5 years, which was just raised from 100,000 miles and 4 years.

Director John Sylvia
June 19, 2018
Page Two

As we efficiently manage the WVDOH fleet and maximize utilization of the vehicles that we have, (we reduced the WVDOH fleet by 120 last summer), I could not guarantee that a pool vehicle in the Central Office that was used for executive/administrative staff would not be needed by Engineering Division to perform their job duties on a rugged section of Corridor H under construction. Vehicle versatility is the key to reducing numbers and maximizing utilization while performing our varied job requirements within DOH.

The WVDOH will not appear before the Committee at this time. Should you have questions or need additional information, please let me know.

Best Regards,



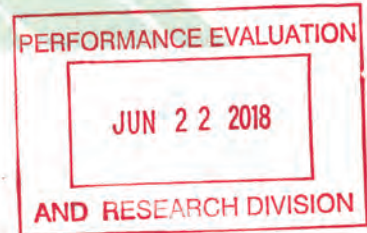
Thomas J. Smith, P.E.
**Secretary of Transportation/
Commissioner of Highways**

TJS/Rh

NEW RIVER

Community and Technical College

June 19, 2018



Mr. John Sylva, Director
Performance Evaluation and Research Division
Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610

Dear Mr. Sylva,

This is to transmit a written response to Issue 2 in reference to New River Community and Technical College. The report states that New River CTC has 9 vehicles, with an average of 890.4 miles per month and 2 vehicles that met the minimum mileage per month. Please share our below responses with the Joint Commission on Government Operations and the Joint Committee on Government Organizations.

New River CTC has vehicles listed in the Fleet Management Division that are not assigned to faculty and staff for travel. These vehicles (listed below) are used for instructional learning purposes only and are currently located at the Advance Technology Center (ATC) in Ghent, WV. The educational programs include Emergency Medical Services, Automotive Service Technology, Commercial Driver's License (CDL) Program, and Electric Distribution Engineering Technology. These vehicles require a WV State green/white permeant license plate because they are driven on the road for instructional purposes only with limited mileage. Due to this, they require routine maintenance at local service stations and an annual WV state safety inspection. These vehicles include 1 hybrid car, and the following vehicles over 1 ton: 1 digger truck, 2 bucket trucks, 2 school buses, 1 simulated ambulance lab, and 1 international pro-star truck. New River CTC also has two maintenance trucks that are used by campus maintenance teams. These trucks are used strictly for maintenance, snow removal, and hauling materials and are mostly utilized on campus grounds. New River CTC will be moving forward requesting an exemption on mileage from the Fleet Management Division for these specific vehicles.

Thank you for the opportunity to provide this written response regarding the Special Report on Fleet Management.

Sincerely,

L. Marshall Washington, Ph.D.
President

cc: Sarah Armstrong Tucker, Ph.D.,
Chancellor for WV Community and Technical College Education

www.newriver.edu

Greenbrier Valley Campus 653 Church Street Lewisburg, WV 24901 304.647.6560 Fax 304.647.6561	Mercer County Campus 1001 Mercer Street Princeton, WV 24740 304.425.5858 Fax 304.425.0860	Nicholas County Campus 6101 Webster Road Summersville, WV 26651 304.872.1236 Fax 304.872.3587	Raleigh County Campus 280 University Drive Beaver, WV 25813 304.929.5450 Fax 304.929.6719	Central Administration 280 University Drive Beaver, WV 25813 304.929.5445 Fax 304.929.5478
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WEST VIRGINIA LEGISLATIVE AUDITOR

PERFORMANCE EVALUATION & RESEARCH DIVISION

Building 1, Room W-314, State Capitol Complex, Charleston, West Virginia 25305

telephone: 1-304-347-4890 | www.legis.state.wv.us/Joint/PERD/perd.cfm | fax: 1-304-347-4939