

POST AUDIT DIVISION

LEGISLATIVE AUDIT REPORT

STATEWIDE FLEET STUDY

REPORT SUMMARY

- Issue 1: The Majority of Vehicles Reviewed Continue to be Underutilized and Agencies have not Requested Exemptions
- Issue 2: The Fleet Management Office Lacks Mileage Data for 790 Vehicles, and is Addressing Inconsistent Inventory Data
- Issue 3: West Virginia is in the Minority of States that Includes Commuting Mileage in Its Utilization Calculation.



JOINT COMMITTEE ON
GOVERNMENT & FINANCE

***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 Post Audit 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 the Post Audit 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.*

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NOVEMBER 12, 2017
LEGISLATIVE STUDY

STATEWIDE FLEET STUDY

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Introduction

The Legislative Auditor's office has released a series of reports covering the topic of state owned vehicles beginning with a report on the Division of Corrections' (DOC) vehicle fleet issued to the Post Audits Subcommittee on December 5, 2016. In response to that report, DOC eliminated 45 vehicles from its vehicle fleet. The Legislative Auditor then released an additional study on February 7, 2017 analyzing the 7,529 vehicles reported from State Fleet Management Office by type and the number of vehicles assigned to each state agency. With the continuous attention concerning the state vehicle fleet, the Executive branch announced 246 reductions of vehicles in addition to the DOC planned reductions including: 122 at the Division of Highways, 84 at the Division of Natural Resources, 35 vehicles at the Department of Environmental Protection, and 5 from the Governor's Office.

An additional report was released by the Post Audit Division on April 16, 2017 that detailed the utilization of state vehicles for calendar year 2016. This report indicated 42% of the vehicles with mileage data were underutilized as defined by Legislative Rule Title 148 Series 3- 6.2.1, which requires vehicles to be utilized at a minimum of 1,100 miles per month. Exemptions are authorized, but state agencies were not requesting available exemptions to the rule when applicable. The Fleet Management Office indicated that data for more vehicles would be available in the future due to a change in the data collection method. Given the availability of more data, the high number of under-utilized vehicles, and very few requested exemptions, the Legislative Auditor analyzed the available data for January 1, 2017 through June 30, 2017 for this study.

Despite the reports to the Legislature from the Post Audit Division described above, the current analysis of the statewide fleet utilization again revealed a substantial number of underutilized vehicles. The current analysis found the following:

1. Approximately 53% of the reviewed vehicles did not meet the minimum mileage as defined by Legislative Rule.
2. Exemption requests have significantly increased since being reported by the Post Audit Division but are still insufficient.
3. The Fleet Management Office is still hampered by a lack of mileage data for 790 vehicles, and is addressing inconsistent inventory data.

Since the underutilization and lack of exemptions has continued, the Legislative Auditor set an objective to determine why these issues continue to occur. Thus, the Legislative Auditor contacted each cabinet secretary, constitutional officer, heads of miscellaneous boards and commissions, and the institutions of higher education. **Veteran's Assistance is the only agency that did not respond despite multiple correspondence being sent.** The Post Audit Division provided agency heads with a list of each vehicle along with each vehicle specific issue, and asked each to explain:

1. Why their state vehicles did not meet the minimum utilization requirement as defined by Legislative Rule?

2. Why does it appear vehicles in their inventory were not used from January 1, 2017 through June 30, 2017?
3. Why were exemptions not requested for the underutilized vehicles?
4. Why was vehicle data not reported to the Fleet Management Office?

The responses to these questions indicated the following:

1. Many vehicles failed to meet the utilization requirement because the vehicle was either used in a limited area, a specialized/seasonal vehicle, or because of a staffing related issue.
2. The most significant reason vehicles were not being used was due to vehicles being in the surplus disposal process.
3. Exemptions for most of the underutilized vehicles were not requested because of either human error or they were not aware of the exemption requirement. **A majority indicated they either have or will request exemptions since this inquiry.**
4. Vehicle data not being reported to the Fleet Management Office was a result of entities that are not required to report to the Fleet Management Office.

Additionally, the Post Audit Division contacted officials from several fleet management offices in other states to compare how they calculate vehicle utilization. Based on information provided by 32 Fleet Management Offices, we determined the following:

1. West Virginia is in the minority of states that includes commuting miles in the calculation of vehicle utilization, as most of the responding states do not include commuting mileage, and some do not allow commuting in state vehicles or only do so in limited circumstances.

Issue 1: The Majority of Vehicles Reviewed Continue to be Underutilized and Agencies have not Requested Exemptions.

Over 53%, or 3,135 out of 5,868 Vehicles, did not meet the minimum mileage requirement.

The Fleet Management Office reported 7,364 state vehicles to the Legislative Auditor's Office. Of these vehicles, 1,496 were excluded from review for either erroneous mileage information (140 vehicles), no mileage information provided (790 vehicles), received an exemption from the mileage requirement (396 vehicles), or because they were delivered to the entity in 2017 (170 vehicles). After removing these vehicles from review **there were 5,868 vehicles required to meet the minimum mileage requirement, of which 53.42% (3,135) did not.**

The Legislative Post Audit Division used Legislative Rule Title 148 Series 3- 6.2.1 as its criteria when determining whether a vehicle is underutilized. The Rule 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. State spending units must request an exemption for vehicles that are under-utilized and the Fleet Management Office shall determine whether the vehicle meets one of the exemptions. (Emphasis Added)

The following table displays the results of how many vehicles each entity at the cabinet level (if applicable) were reviewed and how many of those vehicles do not meet the utilization requirement. Data is compared from the full calendar year in 2016 to the first six months of 2017. Although more vehicles had reportable data to be reviewed in 2017, the number of vehicles not meeting the utilization requirement increased from 42.37 % in 2016 to 53.42% in 2017. **Multiple agencies in 2017 have more than 50% of their vehicles that do not meet the utilization rule:**

- Bureau of Senior Services - 100% (7 vehicles)
- Higher Education – 84.83% (302 vehicles)
- Department of Education and the Arts – 80% (36 vehicles)
- Council for Community and Technical Colleges – 76.81% (53 vehicles)
- Department of Veteran's Assistance 75% (15 vehicles)
- Department of Administration – 70.21% (33 vehicles)
- Department of Transportation – 65.38% (1,426 vehicles)
- Constitutional Officers – 63.58% (110 vehicles)
- Department of Education – 57.89% (22 vehicles).

It also must be noted that the Department of Transportation and the Department of Military Affairs and Public Safety had the most vehicles that did not meet the utilization requirement with 1,426 and 579 respectively.

Figure 1
Comparison of 2016 Under-Utilized Vehicles vs. January-June 2017 Under-Utilized Vehicles

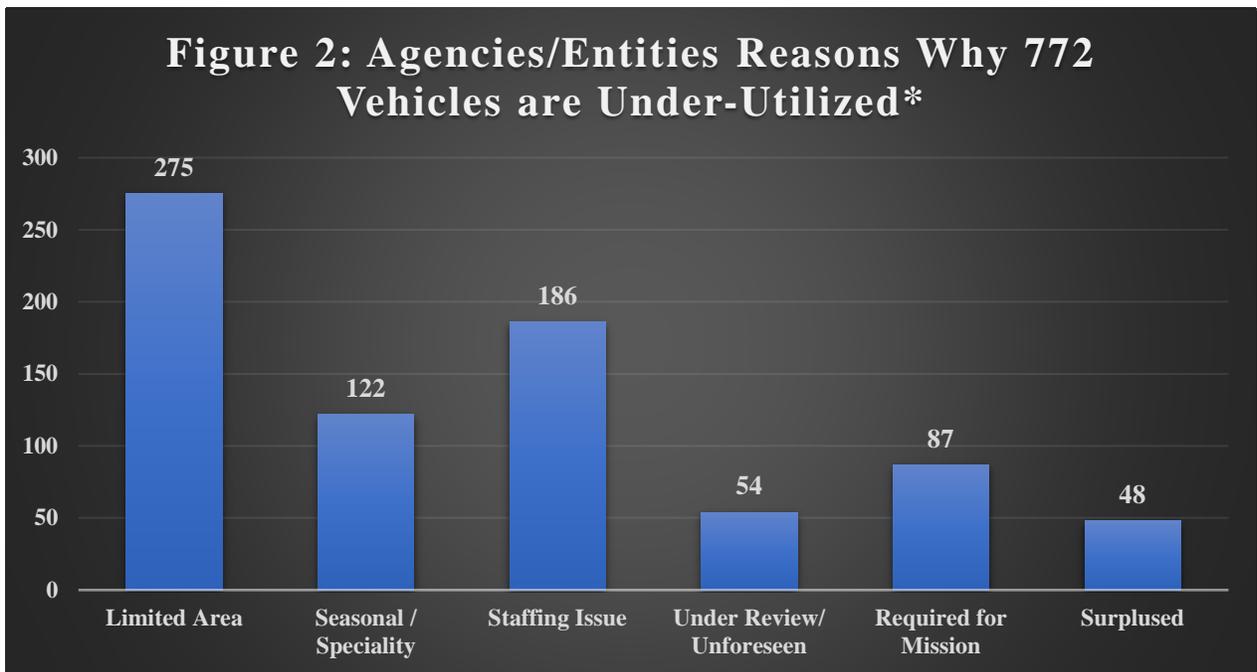
Cabinet	2016			2017		
	Vehicles Reviewed	Number and Percentage of Under-Utilized Vehicles		Vehicles Reviewed	Number and Percentage of Under-Utilized Vehicles	
Transportation	108	37	34.26%	2,181	1,426	65.38%
Military Affairs and Public Safety	1,435	515	35.89%	1,386	579	41.77%
Higher Education	77	48	62.34%	356	302	84.83%
Commerce	647	322	49.77%	797	329	41.28%
Environmental Protection	420	141	33.57%	362	119	32.87%
DHHR	346	140	40.46%	202	34	16.83%
Constitutional Officers	158	88	55.70%	173	110	63.58%
Revenue	114	56	49.12%	77	32	41.56%
Misc. Boards and Agencies	115	55	47.83%	101	38	37.62%
Council for Community and Technical College	40	36	90.00%	69	53	76.81%
Administration	50	30	60.00%	47	33	70.21%
Education and the Arts	43	31	72.09%	45	36	80.00%
Education	28	11	39.29%	38	22	57.89%
Veterans Assistance	20	16	80.00%	20	15	75.00%
Senior Services	6	4	66.67%	7	7	100.00%
Legislative	6	1	16.67%	7	1	14.29%
Total	<u>3,613</u>	<u>1,531</u>	<u>42.37%</u>	<u>5,869</u>	<u>3,135</u>	<u>53.42%</u>

Analysis of the mileage reported to the Fleet Management Office indicated 3,135 vehicles that were under-utilized between January 1 and June 30 in 2017. The result of the analysis was the motive for asking cabinet secretaries and other state officials to provide a reason why each vehicle did not meet the required minimum mileage. The Department of Transportation, which had the highest number of under-utilized vehicles did not provide a response for each individual vehicle; however, the Cabinet Secretary stated:

Vehicle usage is dependent on the seasonal nature of the work as well as the fact that a vehicle will typically be used to transport a crew to a job site and return at the end of the day. Work crews do not necessarily travel long distances to the job sites and once there the vehicle sits for the rest of the day. Additionally, some vehicles are assigned to positions that are vacant and won't be used until the positions are filled. The Division of Highways will investigate the use of vehicles

on the list and request waivers from the usage requirement or reassign the vehicles as appropriate.

Figure 2 summarizes the reasons why individual vehicles meet our underutilized definition. State officials responded that 275 of the vehicles were used daily, but the use of the vehicle is in such a limited area that it was unlikely for the vehicle to meet the minimum required mileage. Vehicles in this category could include those used only on a college campus, correctional facility, or used to transport mail. Approximately 186 vehicles were identified as not meeting the minimum mileage requirement due to various staffing issues. Vehicles in this category could include those needed for unfilled positions, those assigned to employees that experienced a temporary duty change, or those assigned to employees on extended medical leave. Additionally, 122 of the underutilized vehicles were indicated to be specialty or seasonal use vehicles. Vehicles in this category include transport vans, snowplows, or heavy equipment. Based on the reason(s) provided for why vehicles were under-utilized, it is the Legislative Auditor’s opinion that these vehicles in many cases would appear to be necessary for state operations, and for the reason(s) provided would not be able to meet the utilization requirement. Still, the agencies need to submit exemptions for approval by the Fleet Management Office to determine that the vehicles are necessary.



*1,961 vehicles not included due to a specific reason not being identified by the agency.

Approximately 28% of Under-Utilized Vehicles were Driven less than 2,500 miles

As indicated in Figure 3, an analysis of the mileage reported to the Fleet Management Office was conducted by breaking down the mileage reported for the 3,135 under-utilized vehicles into five classifications. Reviewing these categories indicated that 874, or 28%, of the under-utilized vehicles were driven between one mile and 2,500 miles in the 6-month period.

Hypothetically, a vehicle that was recorded for 2,500 miles in the 6-month period would only average 416 miles of use per month - much less than the required 1,100 miles per month.

Figure 3
Reported Miles Driven for Under-Utilized Vehicles for January-June 2017

Cabinet/Entity	0 Miles (No Reported Use)	500 or less	501 to 2,500 miles	2,501 to 5,000 miles	5,001 to 6,599 miles
Transportation	84	46	271	616	409
Military Affairs and Public Safety	183	47	83	134	132
Higher Education	76	52	123	37	14
Commerce	15	19	89	115	91
Environmental Protection	1	2	12	46	58
DHHR	1	1	10	13	9
Elected Officials	23	6	24	48	9
Revenue	0	2	9	14	7
Miscellaneous Boards and Agencies	0	2	7	14	15
Council for Community and Technical College	5	12	18	13	5
Administration	1	3	9	15	5
Education & The Arts	2	2	9	14	9
Education	0	1	9	9	3
Veterans Assistance	1	1	4	6	3
Senior Services	0	0	1	5	1
Legislative	0	0	0	0	1
Total	392	196	678	1099	771

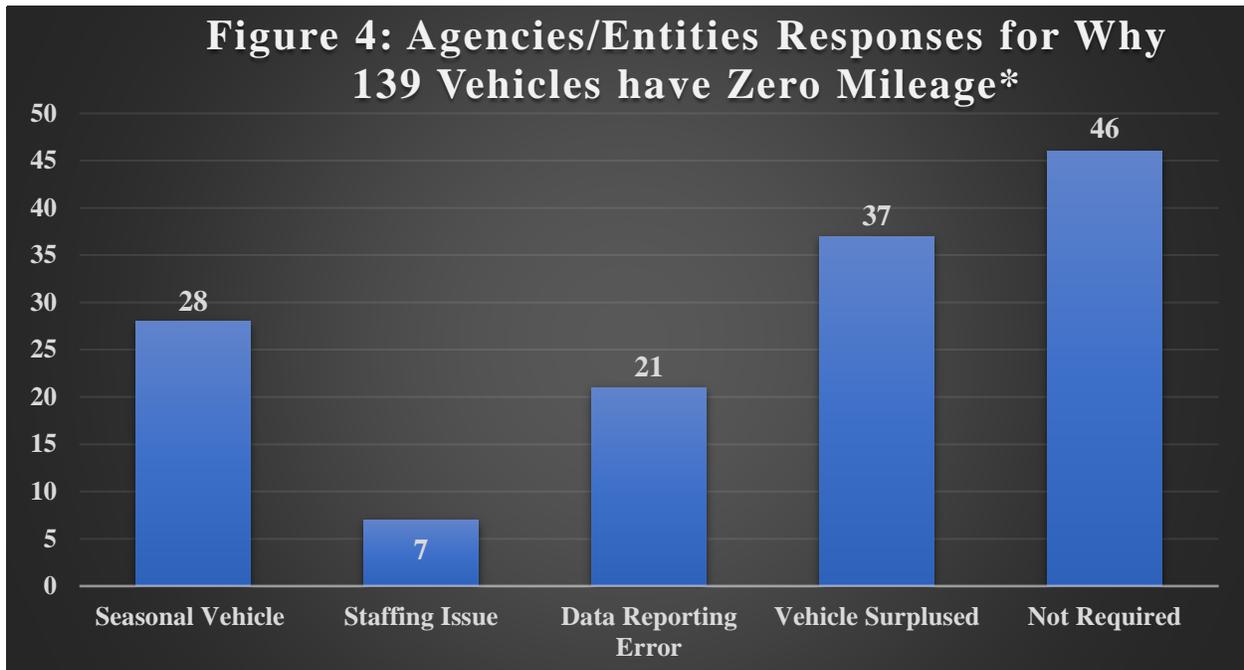
Notably in Figure 3 are 392 vehicles that had zero miles reported during the review period. Given this, these 392 vehicles were singled out in our correspondence with agency officials to provide a reason why there were no reported miles driven for these vehicles. Agencies/entities did not breakdown individually the reasons why there were zero miles for 253, or 65%, of the vehicles shown in Figure 3. Instead, the departments gave a generalized statement as a whole about all of their vehicles with zero mileage. This includes the 183 vehicles for Military Affairs and Public Safety, which had the highest number of zero miles driven reported to the Fleet Management Office. In the response provided by the Cabinet Secretary of the Department of Military Affairs and Public Safety:

Many factors contributed to this matter. Based on DMAPS research, the most significant reason was vehicles waiting to be disposed of through surplus property.

An example is the Homeland Security van your office observed, that after two months is still waiting for disposal.¹

Additionally, **Higher Education officials did not provide a response to our query and address why 67 of the 76 vehicles had no reported miles driven.**

As shown in Figure 4 summary of agency responses, 46 vehicles were identified as not being required to be reported to the Fleet Management Office. The vehicles in this category are assigned to Transportation (Parkways Authority, Courtesy Patrol, and Public Transit). Similar to the initial question regarding the under-utilization of vehicles, a significant percentage of the reasons provided indicated the vehicle was at some stage of the vehicle surplus process.



*253 vehicles not included due to a specific reason not being identified by the agency.

Exemptions from the Legislative Rule Have Increased Significantly Since the Legislative Auditor's Previous Report

While Legislative Rule 148 Series 3 requires 1,100 miles of monthly utilization of a vehicle, the rule does allow agencies to request an exemption from the requirement for a vehicle meeting one of the following categories:

- vehicles assigned to public safety officers.
- vehicles assigned to employees who require constant use of the vehicle to perform job duties.
- vehicles assigned to employees on 24-hour call.
- vehicles assigned to employees for essential travel for transporting authorized individuals.
- vehicles that are free of liens and are economical and necessary.

¹ The Post Audit Division previously questioned the Cabinet Secretary regarding a van that had been parked in the parking garage on the Capitol complex covered in dust and clearly not utilized for an extended period.

The quantity of approved exemptions for each category requested by the agencies/entities can be found in Figure 5. The most cited reason for a vehicle exemption requested as of June 30, 2017 was for vehicles assigned for essential travel for transporting authorized individuals.

Figure 5						
State Agency Exemptions from Legislative Rule Requested as of June 30, 2017						
Reason for Exemption Request						
Cabinet	Free of Lien	Public Safety Officer	Job Duties Require Use	Employee on 24 Hour Call	Transport Authorized Passengers	Total
Transportation	-	-	-	-	2	2
Military Affairs and Public Safety	48	10	11	13	111	193
Higher Education	9	-	2	-	58	69
DHHR	3	-	6	1	77	87
Elected Officials	-	-	7	-	-	7
Revenue	-	-	31	-	-	31
Administration	1	-	1	-	2	4
Education and The Arts	-	-	-	-	1	1
Education	-	-	-	-	1	1
Total	61	10	58	14	252	395

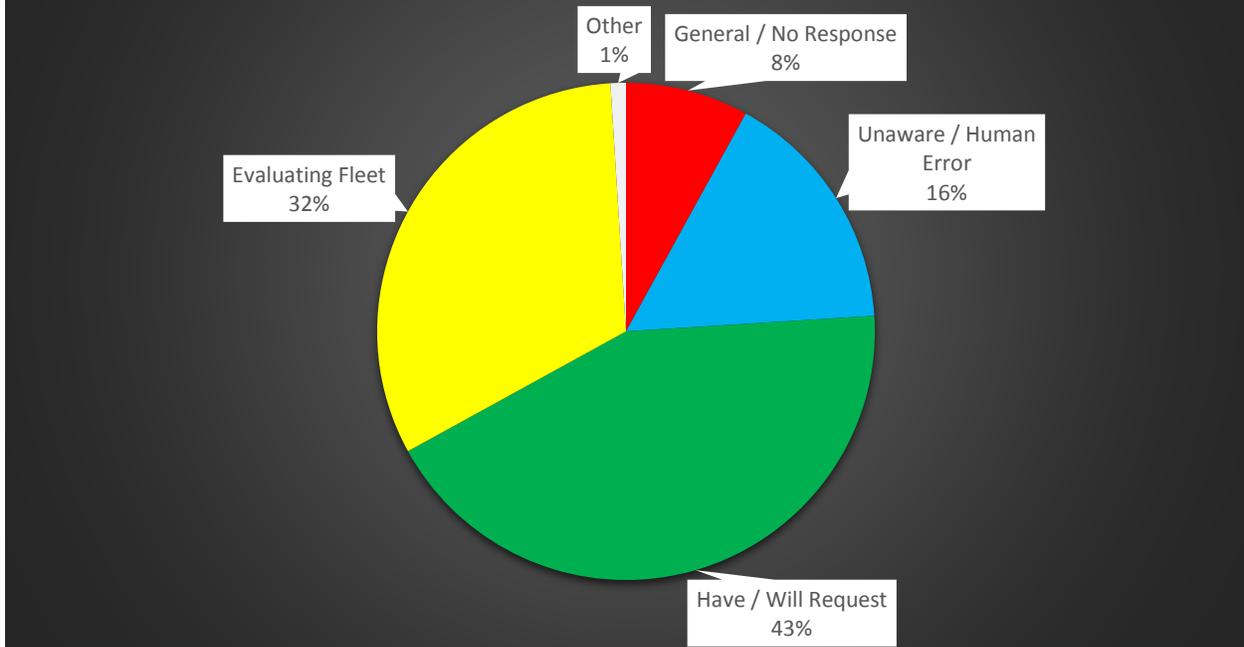
As a result of the previous Post Audit Division reports, exemption requests have increased from only 10 exemptions in 2016 to 395 as of June 30, 2017. The majority of the increase in exemptions can be attributed to the Cabinet Secretary for the Department of Military Affairs and Public Safety responding to the initial DOC fleet report. Exemptions for Military Affairs and Public Safety increased from zero to 193. While there has been a significant increase in the number of exemptions, there still exists a significant number of under-utilized vehicles that agencies should request exemptions. Figure 6 displays the number of under-utilized vehicles for the first six months of 2017 and the number of exemptions by entity as of June 30, 2017. This data is compared to the data first reported by the Legislative Auditor for 2016.

Figure 6
Comparison of January-June 2017 Under-Utilized Vehicles vs. 2016 Under-Utilized Vehicles

Cabinet	2017		2016	
	Under-Utilized Vehicles	Approved Vehicle Exemptions	Under-Utilized Vehicles	Approved Vehicle Exemptions
Transportation	1,426	2	37	1
Military Affairs and Public Safety	579	193	515	-
Higher Education	302	69	48	-
Commerce	329	-	322	-
Environmental Protection	119	-	141	-
DHHR	34	87	140	2
Elected Officials	110	7	88	4
Revenue	32	31	56	-
Miscellaneous Boards and Agencies	38	-	55	-
Council for Community and Technical College	53	-	36	-
Administration	33	4	30	3
Education and the Arts	36	1	31	-
Education	22	1	11	-
Veterans Assistance	15	-	16	-
Senior Services	7	-	4	-
Legislative	1	-	1	-
Total	3,135	395	1,531	10

As displayed in Figure 7, the majority (75%) of the agencies stated the reason for vehicles not having an exemption was either: the exemption had been requested or received after the June 30, 2017 period of our review; an exemption will be requested; or the fleet is under review. The Department of Commerce, which had the fourth highest number of vehicles under-utilized and did not receive any exemptions during the review period, indicated 146 exemptions were requested from the Fleet Management Office after June 30, 2017. The Cabinet Secretary for Transportation indicated the vehicle fleet for Transportation is being reviewed and exemptions or reassignments of vehicles will occur as necessary and applicable. Additionally, the Cabinet Secretary for the Department of Military Affairs and Public Safety indicated in his response “starting on 06/05/17, DMAPS started preparing exemption forms for its agencies vehicles that were being under used.”

Figure 7: Agencies Reasons for not Requesting Exemptions



Conclusion

While examination of the state vehicle fleet continues to show significant numbers of vehicles that are under the minimum required mileage many of these vehicles appear to be necessary for state operations. Since many agencies/entities have indicated exemptions were not requested for qualified vehicles due to a lack of awareness or simple oversight, or a difference in the timing of the review period, the Legislative Auditor anticipates a significant increase in the number of exemptions granted by the Fleet Management Office in the future. These continued efforts by agencies/entities to request exemptions for qualified vehicles will assist in the possible identification of unnecessary vehicles by the Fleet Management Office.

Recommendation

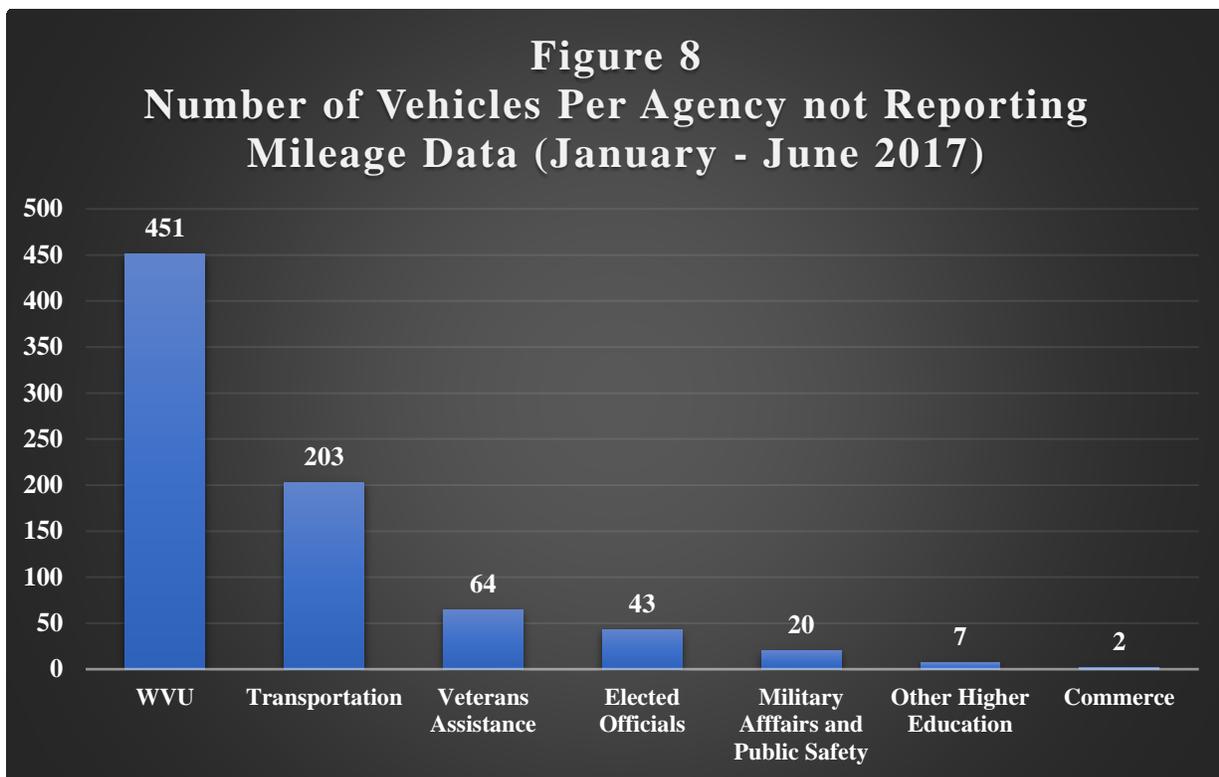
- 1.1 The Legislative Auditor recommends state agencies continue to evaluate fleet vehicles and request exemptions for those vehicles not meeting the 1,100 miles monthly utilization as required by Legislative Rule Title 148 Series 3- 6.2.1.*

Issue 2: The Fleet Management Office Lacks Mileage Data for 790 Vehicles, and is Addressing Inconsistent Inventory Data.

No Data Reported to the Fleet Management Office for 790 vehicles

As indicated in the April 16, 2017 report, the Fleet Management Office was only able to provide mileage data for approximately 49% of the vehicles utilizing the WEX fuel management and reporting system. While the quantity of vehicles with mileage data has increased significantly, **there were 790 vehicles throughout the state for which no mileage data was provided to the Fleet Management Office.**

Most vehicles not reporting mileage data to the Fleet Management Office are located at the Department of Transportation and institutions of higher education. These entities comprise 83% of all vehicles not reporting mileage to the Fleet Management Office. Notably, Higher Education has the third largest number of underutilized vehicles while also having the most vehicles with no mileage data. Additionally, the Department of Transportation has the largest number of underutilized vehicles while also having the second most vehicles with no mileage data being reported to the Fleet Management Office.



West Virginia University (WVU) has 451 of the 458 Higher Education vehicles for which data was not reported to the Fleet Management Office. The WVU Director of Transportation and Parking stated,

WVU reported mileage in March of 2017 and has been developing a system to collect and update data. This internal system would help us to collect data for the entire fleet from about 37 departments spread across campus.

The Legislative Auditor did not receive a response from Marshall University regarding its five vehicles with no data reported, or from Glenville State University regarding its two vehicles with no data reported. No response was provided to the Legislative Auditor by Veterans Assistance to explain its 64 vehicles even though there were multiple inquiries.

All 203 vehicles for which the Department of Transportation did not report data were assigned to agencies that are not required to report to the Fleet Management Office. All vehicles that were required to be reported to the Fleet Management Office from the Department of Transportation were reported. Additionally, the Cabinet Secretary for the Department of Military Affairs and Public Safety stated “...DMAPS has contacted the State Police, and they have submitted the required data to Fleet Management Office.”

The agencies not supplying data receive a monthly email from the Fleet Management Office detailing the vehicles, the data required, and the section of the rule that requires the agencies to supply the information; however, the Fleet Management Office has no mechanism to obtain data if an agency is not required to report. Additionally, many of the vehicles included in Figure 8 have not updated vehicle data since September 2016. The Fleet Management Office sent a notice on July 7, 2017 to the agency fleet coordinators with a list of those vehicles.

Fleet Management is Addressing the Inconsistencies of the Vehicle Inventory

In 2016, the Legislative Auditor released a report identifying that the state is unable to fully account for the total number of passenger vehicles it owns. The Department of Administration Cabinet Secretary and the Fleet Management Office organized a meeting for the agency fleet coordinators that were not utilizing the fleet management services offered by the Fleet Management Office² to discuss the need to provide vehicle information periodically, and to address some of the inconsistent data reported to the Legislature. The Department of Administration sent an email on May 22, 2017 to the agencies requesting a list of vehicles and corresponding data that were not included in the Fleet Management Office inventory account. The agencies reported 3,703 vehicles, of which 2,405 have some discrepancy between Automotive Rentals Inc. (ARI)³ information and the information provided. The Fleet Management Office is investigating and addressing the discrepancies. Additionally, the Fleet Management Office compared Department of Transportation vehicle data to the ARI database and noted 2,562 units missing from the ARI system. The Fleet Management Office is reviewing the discrepancies before adding the vehicles to the ARI database. Per the Fleet Management Office the State of West Virginia licensed rolling vehicle stock is 10,174.

² Agencies using this service have odometer readings automatically provided to the Fleet Management Office.

³ ARI is the currently contracted vendor to provide vehicle maintenance and repair management services.

Recommendation

2.1 The Legislative Auditor recommends the Legislature consider a statutory change to require all state spending units report data to the Fleet Management Office.

Issue 3: West Virginia is in the Minority of States that Includes Commuting Mileage in Its Utilization Calculation.

The Legislative Auditor reviewed criteria for determining if a vehicle is properly utilized. Legislative Rule Title 148 Series 3- 6.2.1 makes no distinction for the purposes a vehicle is driven in totaling the number of miles driven per month. Specifically, miles driven for commuting purposes count toward the 1,100 monthly minimum miles.

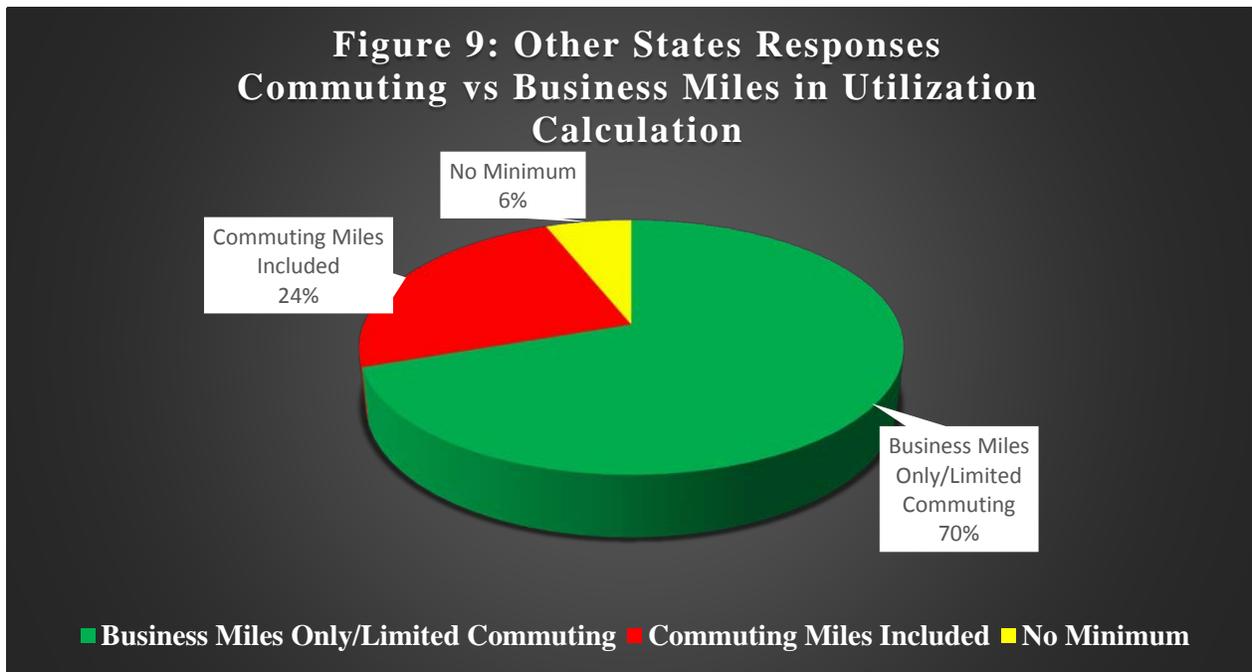
The Legislative Auditor asked the Director of the Fleet Management Office if he thought West Virginia should exclude commuting in determining the minimum utilization, and he stated,

No, I believe commuting miles should be part of the minimum mileage calculation because commuting miles can be a bona fide business purpose, and the IRS provides for treatment of commuting in a state vehicle as a fringe benefit. However, decisions about individual employees' use of state vehicles for commuting purposes should be made by each agency, based on the needs and mission of that agency.

The Legislative Auditor disagrees with this statement. While it is true that employees commuting in a state vehicle must report the commuting as a taxable fringe benefit, the additional income claimed of \$3 per round trip pales in comparison to the purchase price, fuel, and maintenance costs incurred by the state, and may not justify a business need for a vehicle. Including commuting mileage in the calculation of vehicle utilization, can cause the business usage of a vehicle to be over-inflated, thus increasing the perceived fleet needs of the State. For example, an employee assigned a vehicle and permitted to commute in the vehicle from their home in Hurricane, West Virginia (56 miles round trip) and driving round trip five days a week to the Capitol Complex would meet the 1,100-minimum mileage requirement without driving the vehicle a single non-commuting mile.

The Legislative Auditor surveyed other states to see if commuting is included in mileage calculations. Based on the 33 responses received, **23 of the responding states, or 70%, base the vehicle mileage for utilization on business miles only.** Additionally, of those 23 states, six either do not allow any commuting or commuting in limited circumstances. Eight states responded that commuting mileage is included in the utilization calculation. Of these eight, Vermont indicated it is in the process of removing commuting mileage from the calculation, and Illinois only authorizes 30% of the vehicle miles to be used for commuting. Alaska and Wyoming also responded to the inquiry, but due to unique geography, does not enforce strict mileage rules on state vehicles. The responses are summarized in Figure 9.

**Figure 9: Other States Responses
Commuting vs Business Miles in Utilization
Calculation**



The following states indicated commuting miles are not included when calculating vehicle utilization:

- Arizona
- Connecticut
- Florida
- Georgia
- Indiana
- Kentucky
- Louisiana
- Maryland
- Michigan
- Missouri
- Ohio
- Oklahoma
- Pennsylvania
- South Carolina
- Texas
- Virginia
- Wisconsin

The following states indicated either commuting is prohibited, or there are such significant restrictions on commuting that it is not considered part of the utilization calculation: Delaware, Nebraska, Nevada, New York, Rhode Island, and South Dakota.

By removing commuting miles from the calculation of a vehicles utilization, the state of West Virginia would improve transparency in how many miles are used for commuting purposes and how many miles are driven for state business.

Recommendation

3.1 The Legislative Auditor recommends the Fleet Management Office amend Legislative Rule Title 148 Series 3- 6.2.1 to exclude commuting mileage in the monthly mileage calculation of a vehicle’s utilization.



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Re: Statewide Fleet Utilization Review

Dear Mr. Harris:

Thank you for the opportunity to respond to the Post Audit review of statewide fleet utilization. We appreciate the amount of research and effort that has gone into this project. Below are the responses of the Department of Administration and Fleet Management Office to the recommendations and findings in your report.

Issue 1: The Majority of Vehicles Reviewed Continue to be Underutilized and Agencies have not Requested Exemptions.

Recommendation 1.1: The Legislative Auditor recommends state agencies continue to evaluate fleet vehicles and request exemptions for those vehicles not meeting the 1,100 miles monthly utilization as required by Legislative Rule Title 148, Series 3-6.2.1.

Response: The Department of Administration and the Fleet Management Office agree with the recommendation of the Legislative Auditor.

Issue 2: The Fleet Management Office Lacks Mileage Data for 790 Vehicles, and is Addressing Inconsistent Inventory Data.

Recommendation 2.1.: The Legislative Auditor recommends the Legislature consider a statutory change to require all state spending units report data to the Fleet Management Office.

Response: The Department of Administration and the Fleet Management Office agree with the recommendation of the Legislative Auditor, and an agency-requested bill to require certain vehicle data be reported to the Fleet Management Office is under consideration.

Mr. Nathan Harris
October 12, 2017
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Issue 3: West Virginia is in the Minority of States that Includes Commuting Mileage in Its Utilization Calculation.

Recommendation 3.1.: The Legislative Auditor recommends the Fleet Management Office amend Legislative Rule 148, Series 3-6.2.1. to exclude commuting mileage in the monthly mileage calculation of a vehicle's utilization.

Response: The Fleet Management Office points out a couple items from the Legislative Auditor's report to provide context to the discussion of including commuting miles in the calculation of minimum monthly mileage.

First, of the states surveyed for the report, the fleet management agencies in those states have varying oversight of state vehicles. For example, Missouri, Michigan and Texas have various exemptions to the jurisdiction of the fleet management agency, such as exempting vehicles operated by the state highways agency, state police or vehicles utilized by higher education. It's important to note the differences in those states to West Virginia when comparing data from those states. State vehicles used by agencies exempted from those states' fleet management agencies may be subject to differing policies on use, replacement and utilization.

Secondly, while commuting use of a vehicle is a business decision by the agency, miles commuted must still be tracked for maintenance and fuel purposes, which is the Fleet Management Office's main focus. Agencies are required to complete a monthly report for each employee's commuting miles, as per Title 148, Series 3-9.4.3. If the Legislature would require commuting miles to be excluded from the minimum monthly mileage calculation, it is important that agencies be required to file a separate report with that data, and that TOTAL miles continue to be reported to the Fleet Management Office in the same format they are currently being reported so as to allow the Fleet Management Office to continue to monitor maintenance and fueling. The burden would be on the agencies to determine if miles driven qualify commuting miles, complete the monthly calculation, and report periodically to the Fleet Management Office, as the information to make those determinations are with the employee and agency assigned the state vehicle. The Fleet Management Office has no mechanism to independently verify this information.

If you would like to discuss any of the above, or have questions, please do not hesitate to contact my office.

Sincerely,



Kenny Yoakim, Director
Fleet Management Office



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