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REVIEW OF THE USE OF ASSIGNED STATE VEHICLES

REPORT ABSTRACT

- Some state-owned vehicles are being used largely for employee commuting rather than job duties.
- Some law enforcement managers do not need fully-equipped pursuit vehicles.
- The state could save up to \$5 million by reassigning low-usage cars to agency motor pools, recovering employee commuting costs, and providing standard cars with portable emergency equipment to law enforcement supervisors.

PURPOSE OF REVIEW

The Joint Legislative Auditing Committee requested that our Office examine the use of state-owned vehicles. Our review focused on vehicles operated by executive branch agencies that are assigned to individuals and driven home overnight.¹

This report is one of a series that addresses the state's vehicle management activities. Other reports deal with reimbursing employees for use of their personal vehicles, the state's system for tracking vehicle usage, and the methods Florida uses to acquire and maintain its vehicle fleet.

BACKGROUND

The state provides cars and light trucks for many employees who must travel to perform their jobs. The Department of Management Services has not established

specific criteria for assigning vehicles to employees, but has delegated that authority to agency heads who are responsible for making vehicle assignment decisions. The Department of Management Services (DMS) has established three classes of vehicle use. Class A cars and trucks are assigned to agency motor pools that serve a group of employees on an as-needed basis. Employees may use these vehicles for specific trips; these vehicles are parked at the business site at night. Class B vehicles are assigned to specified employees for their daytime use, but must be parked overnight at the business site. Finally, Class C cars and trucks are assigned to specific employees who use them during the day and drive the vehicles home at night. Class C vehicles may be assigned to employees for four reasons:

- **Perquisite** - assigned to specific positions as an employee benefit. Perquisite vehicles must be approved by DMS; no such vehicles have been approved.
- **Law enforcement** - assigned to persons with law enforcement responsibilities who are subject to special emergency calls from home. These persons are authorized to take vehicles home because they are considered to be on duty 24 hours per day;
- **Emergency service** - assigned to persons whose job duties include responding to emergency situations that could occur after normal working hours; and
- **Employee's home is office** - assigned to persons whose official base of operation is their home.

Exhibit 1 shows that about 4,700 Class C vehicles were assigned to individual employees in the executive branch as of January 1996. These vehicles are operated by ten state agencies.²

¹ We did not examine use of vehicles operated by the State University System, which is statutorily exempt from the reporting requirements for other state agencies.

² The ten agencies are: the Departments of Agriculture and Consumer Services, Business and Professional Regulation, Corrections, Environmental Protection, Highway Safety and Motor Vehicles, Insurance, Law Enforcement, Lottery, Transportation, and the Game and Fresh Water Fish Commission.

**Exhibit 1
Employees Are Assigned Vehicles
For a Variety of Reasons**

Use Category	Number of Vehicles
Perquisite	0
Law Enforcement	3,479
Emergency	492
Home Office	654
Multiple Use ¹	68
Total	<u>4,693</u>

¹ Vehicle use coded in more than one category.

Source: Office of Program Policy Analysis and Government Accountability analysis of data provided by state agencies.

FINDINGS

Some employees use assigned vehicles largely to commute to work at an annual cost of \$1.4 million.

Although state-owned vehicles are provided to employees to help them perform job duties, some vehicles are used largely for commuting from employees' homes to their offices. We obtained data on the number of miles employees drove in assigned vehicles during fiscal year 1994-95 and the amount of this mileage that was attributable to employee commuting.³ Most vehicles are assigned to persons who do not regularly commute to a work site; these employees either patrol assigned areas or work at various sites during the day. However, 653 vehicles are assigned to employees who commute between home and a regular work site on a daily basis.

Exhibit 2 shows that employees drove assigned vehicles a median of 4,500 miles to commute to work during fiscal year 1994-95.⁴ The percentage of mileage due to commuting ranged from less than 1% to almost 99%. In 151 cases, commuting accounted for more than half of the miles driven during the year; in 13 cases commuting accounted for 90% or more of the miles driven. For example, one state vehicle was driven approximately 20,000 miles during fiscal year 1994-95. Ninety-four percent (18,900 miles) of these miles were for commuting because the employee had an 84-mile daily round trip from home to office. In total, the 653 employees drove 11.2 million miles in assigned cars during the year, of which 3.6 million miles (32%) were for commuting.

Agencies also reported that other employees with assigned vehicles commute to a central work site less than five days a week. For the total group of

employees supplying vehicle utilization data (1,802), we calculated 6.1 million miles for commuting during fiscal year 1994-95. We estimate that this commuting cost the state about \$1.4 million during the year.⁵

**Exhibit 2
Some Employees Used Assigned Vehicles Largely
for
Commuting During Fiscal Year 1994-95**

Percent of Mileage for Commuting	Number of Employees	Percent of Employees
25% or less	282	43%
26% to 49%	220	34%
50% to 74%	99	15%
75% to 89%	39	6%
90% or more	13	2%
Total	<u>653</u>	<u>100%</u>

**Median Commuting Miles Driven
Per Vehicle = 4,500**

Source: Office of Program Policy Analysis and Government Accountability analysis of data obtained from employees with assigned vehicles.

Most of the employees who commute in state vehicles are supervisors. Although DMS has not approved any vehicles as perquisites, many vehicles are assigned to employees who hold supervisory positions such as division directors, bureau chiefs, and unit managers. Of the 653 employees who regularly commuted in state vehicles, 75% (491) were supervisors.

Many employees drove assigned vehicles few miles on state business, indicating that the vehicles may not be needed.

Many employees with state vehicles are driving few miles during the year. Employees drove assigned vehicles a median of 15,500 miles during fiscal year 1994-95. However, Exhibit 3 shows that about 15% of these employees drove vehicles 10,000 miles or less during fiscal year 1994-95.

When commuting mileage is excluded, a larger proportion of the employees drove assigned cars relatively few miles. After eliminating commuting mileage, the employees drove assigned vehicles a median of 10,500 miles on state business during fiscal year 1994-95. Exhibit 3 shows that almost half (311) of these employees drove 10,000 miles or less on state business during the year; 109 employees drove less than 5,000 miles; and 11 employees drove less than 1,000 miles. Given this low usage from state business, we question whether these 311 employees need assigned state vehicles.

³ We obtained data from a total of 1,802 employees with assigned vehicles.

⁴ We estimated commuting mileage on the assumption that assigned vehicles were used 225 working days annually.

⁵ The state pays all operating costs of assigned vehicles, including fuel, repairs, and depreciation. Our estimate of is based on per-mile vehicle costs developed by the Department of Management Services.

Exhibit 3
Many Employees Drove Assigned Vehicles
Few Miles on State Business
During Fiscal Year 1994-95

Miles Driven	Number of Employees	Percent of Employees
Total Miles Driven		
Under 5,000	6	1%
5,001 to 7,500	21	3%
7,501 to 10,000	69	11%
10,001 to 15,000	211	32%
More than 15,000	346	53%
Total	<u>653</u>	<u>100%</u>
Miles Driven Excluding Commuting		
Under 5,000	109	17%
5,001 to 7,500	95	15%
7,501 to 10,000	107	16%
10,001 to 15,000	175	27%
Over 15,000	167	25%
Total	<u>653</u>	<u>100%</u>

Source: Office of Program Policy Analysis and Government Accountability analysis of agency data.

Some law enforcement supervisors do not need equipped pursuit cars.

Law enforcement personnel are often assigned state cars because they may be called to assist in emergency situations at any time during a day. Currently, both law enforcement staff with patrol responsibilities and their managers who generally do not perform patrol functions typically are provided fully-equipped pursuit vehicles. These cars are equipped with large engines, special identifying paint, radios, and permanently-mounted emergency lights. Currently there are no state criteria for assigning pursuit versus conventional vehicles to law enforcement managers. While law enforcement managers need to be able to respond to emergencies, it is questionable whether they need pursuit vehicles to do so. We examined how law enforcement supervisors use assigned vehicles.⁶ As a group, these 349 law enforcement supervisors had the highest commuting usage of state vehicles, as driving to and from home accounted for 37% of their miles driven during fiscal year 1994-95.

Many of these law enforcement managers do not appear to need assigned pursuit vehicles to carry out their jobs. For example, 19 managers reported that they had not responded to any emergency situations after regular working hours in the past year, while an additional 33 reported 3 or fewer responses. The emergencies reported by other managers did not appear to require a pursuit vehicle; these staff reported emergencies such as securing computer equipment at an office prior to a storm and responding to alarms from their building security system. Other managers noted that they used their state vehicles to attend meetings, and to courier daily deposits to a bank.

It is expensive to provide pursuit vehicles to law enforcement managers. These vehicles cost up to \$19,300, plus additional expenses for radios, emergency lights, and identifying paint. A more cost-effective option would be to provide standard sedans equipped with radios and portable emergency lights to those law enforcement managers who need state vehicles but do not respond to emergency situations requiring pursuit vehicles. This could save up to \$7,400 per car, yet would enable managers to handle the types of emergency situations that were typically reported by these employees. We estimate that the state would save up to \$1.3 million if half of the 349 law enforcement managers were provided standard sedans rather than pursuit vehicles.⁷

POLICY OPTIONS

We identified two methods for reducing state vehicle costs: reduce the number of employees who are assigned state vehicles, and charge employees for their personal use of assigned vehicles.

Reducing Car Assignments. The first option would save money by no longer providing vehicles to employees who drive few miles on state business. Unlike other states, Florida does not currently have a minimum mileage requirement for assigned state vehicles. In contrast, states such as Colorado, Louisiana, Michigan, South Carolina, Tennessee, and Virginia require employees to drive a minimum number of miles annually to be eligible for assigned vehicles; these requirements range from 11,700 to 15,000 annual miles.⁸

Many assigned vehicles in Florida would not meet such mileage requirements. We identified 161 vehicles that were driven 12,000 miles or less during fiscal year

⁶ We classified law enforcement personnel with the rank of Captain and above as managers; agencies reported that these persons typically perform supervisory rather than patrol functions. Nine of the ten agencies have law enforcement personnel.

⁷ This estimate is based on the price difference between the state term contract price for sedan pursuit vehicles (\$19,300) and conventional sedans (\$13,900), plus the \$2,000 price difference between equipping pursuit cars with permanent emergency lights and paint, and equipping conventional sedans with portable emergency lights.

⁸ Colorado, 12,600 miles; Louisiana, 15,000 miles; Michigan, 11,700 miles; South Carolina, 14,400 miles; Tennessee, 12,000 miles; and Virginia, 12,700 miles. In some states, employees who do not meet these mileage requirements may be provided a vehicle if they work in a remote location or transport wards of the state. These mileage requirements include commuting miles, although studies in two states recommended that commuting use be excluded when assessing employees' need for vehicles.

1994-95. When commuting use is excluded, 311 assigned vehicles from our sample were driven less than 12,000 miles on state business during the year.

Agency heads could reassign under-utilized vehicles to agency pools for day-time use; over time, fewer assigned vehicles would likely be needed, thus reducing acquisition costs. We estimate that Florida would save about \$1.3 million in acquisition costs if only half of the 161 assigned vehicles that are driven 12,000 miles or less annually are subsequently replaced. These savings could reach \$2.2 million if only half of the 311 vehicles that are driven less than 12,000 miles on state business annually were subsequently replaced.

During our review, the Department of Transportation revised its operating policies and determined 52 employees were taking vehicles home but did not have job duties that required them to do so. These staff included managers in district offices and law enforcement managers in its Motor Carrier Compliance Office. The 52 vehicles have recently been assigned to agency pools for day-time use and are parked at the office site after hours rather than driven home. The Department reported that it could not yet estimate the savings it would attain from this action. However, we estimate that the state would save about \$400,000 in acquisition costs if only half the 52 cars are subsequently replaced.

Charging for commuting mileage. A second way to save money would be to charge employees for their commuting mileage. Other states use this approach; Virginia charges employees 19 cents per mile for their commuting mileage in state vehicles, while Colorado charges 21 cents per mile. We estimate that Florida would recover about \$1.2 million annually if the state charged 19 cents a mile for commuting mileage in assigned cars.⁹ Charging the current reimbursement rate of 29 cents per mile would recover \$1.8 million annually.

CONCLUSIONS AND RECOMMENDATIONS

Florida currently provides assigned vehicles to approximately 4,700 state employees in executive branch agencies, including about 650 employees who use the vehicles to regularly commute to an office site.

Some of these employees use the vehicles primarily for commuting and drive few miles on state business. Also, some law enforcement managers rarely use their pursuit vehicles for emergency situations. Unlike other states, Florida does not charge its employees for commuting mileage and it has not established minimum mileage criteria that must be met to justify vehicle assignments. Florida could save money by recovering employee commuting costs, reassigning low-usage cars to agency pools, and providing standard cars with portable emergency equipment, instead of equipped pursuit vehicles, to law enforcement managers. We estimate that these actions could potentially save between \$4 million and \$5 million, depending on the amount charged for commuting mileage.

We recommend that:

- The Legislature develop specific criteria for agency vehicle assignments. These criteria should provide that vehicles must be driven a minimum number of miles, excluding commuting mileage, on state business unless extenuating circumstances exist. Additionally, the criteria should provide that law enforcement supervisors be assigned standard sedans with portable emergency lights unless they can justify the need for pursuit vehicles;
- The Office of Planning and Budgeting and the Legislature revise the agency instructions for Legislative Budget Requests to require agencies to provide information in their budget requests on the annual mileage driven in assigned vehicles and the percentage of use attributed to commuting. The Governor's Office and the Appropriations Committees could then review this information when considering agency requests for vehicle replacement funding; and
- The Legislature require employees with assigned cars to reimburse the state for their commuting use of the vehicles.

AGENCY RESPONSE

The Secretary of the Department of Management Services did not provide a written response to this report.

⁹ We based this estimate on commuting mileage reported by 1,802 employees, including the 653 employees who regularly commute on a daily basis and 1,149 employees who commute on an occasional basis in assigned vehicles.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

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