

Motor Fleet Management

Overview

Joint Legislative Oversight Committee on Justice and Public Safety

November 14, 2013



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Purpose of Presentation

Provide a Broad Overview of Motor Fleet
Management:

Background

Budget

Recent Issues

Motor Fleet Management: Purpose

Statutory Authorization: G.S. 143-341(8)(i)

- Started in 1981
- Manages: **6,841** Agency Vehicles and **277** Motor Pool Vehicles
- Provides temporary motor pool
- Manages long term vehicle assignments to agencies and individuals
- Creates policies for the management of passenger vehicles

Motor Fleet Management

- Agencies and Vehicles Subject to Motor Fleet
 - Passenger vehicles for all State entities
- Agencies and Vehicles Not Subject to Motor Fleet
 - Law enforcement vehicles (SBI, UNC, ALE, SCP, and SHP)
 - Non-Passenger Vehicles

Motor Fleet Management

- Basis for Law Enforcement Vehicle Determination
 - Originally based on IRS requirements on personal use of government vehicles
 - Has changed in Statute, most recently 2011, when the University of North Carolina's Public Safety vehicles were granted an exemption

Motor Fleet Management: Agency Assignments

Agency	Percentage
DPS	39.81%
DHHS	12.68%
UNC	11.96%
DOT	9.70%
DENR	5.27%
DACS	2.82%
DOL	1.88%
WRC	1.80%
DPI	1.76%
NCEL	1.24%
Subtotal	90.78%

- 29 Entities are Motor Fleet Costumers
- 10 Agencies account for 90.8% of usage
- Average Mileage: 86,997
- Average Age: 2007 Model Year

Motor Fleet Management: Assignments

- Individual and Agency Assignments:
 - Minimum Mileage of 3,150 per quarter
 - G.S. 143-341(8)(i)(7a)
 - Exceptions:
 - Public Safety related occupations
 - Exposure to life threatening situations
 - Unique agency purpose

Motor Fleet Management Fund

- Internal Service Fund
 - Users pay a charge based on vehicle usage
- Charge pays for:
 - Vehicle replacement
 - Fuel
 - Insurance
 - Maintenance/Repair
 - Related Overhead

Motor Fleet Management

Fees Charges By Vehicle

Vehicle Type	Per Mile Charge	Daily Minimum (Motor Pool)	Yearly Minimum (est.)
Sedan	\$0.30	\$18.00	\$3,780
Hybrid	\$0.29	\$17.40	\$3,654
Mini-Van	\$0.33	\$19.80	\$4,158
Midsize SUV	\$0.39	\$23.40	\$4,914
Fullsize SUV	\$0.49	\$29.40	\$6,174
Cargo Van	\$0.44	\$26.40	\$5,544

- Minimum Mileage Rate Set in G.S. 143-341(8)(i)(6)

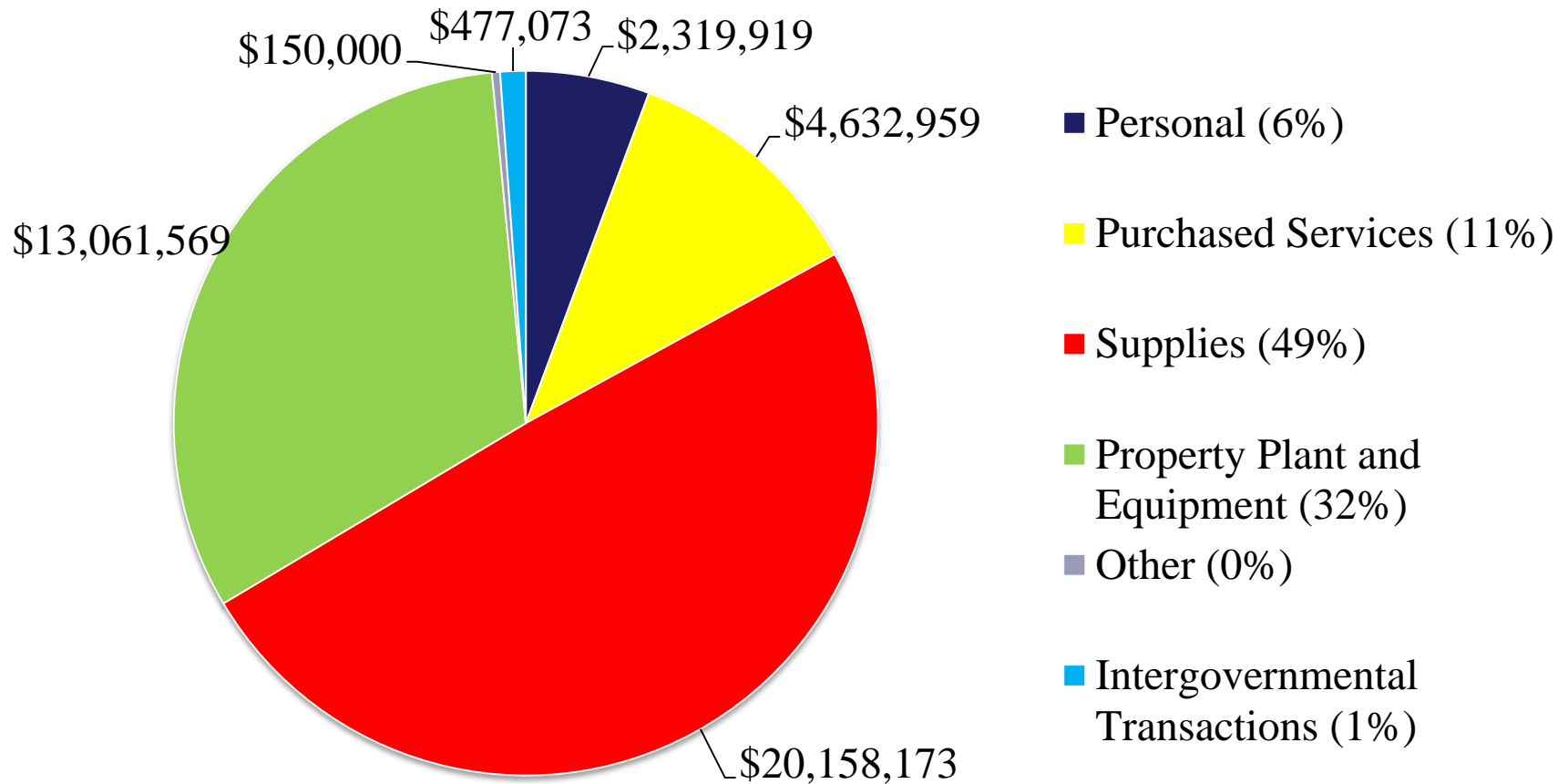
Motor Fleet Management

	Actual	Actual	Actual	Certified	Certified
Fiscal Year	2011	2012	2013	2014	2015
Requirements	\$100,496,759	\$28,950,751	\$40,799,693	\$40,799,693	\$40,799,693
Receipts	\$70,230,629	\$46,404,747	\$46,662,012	\$46,662,012	\$46,662,012
Appropriation	\$0	\$0	\$0	\$0	\$0
Change in Fund Balance	(\$30,267,752)	\$17,519,681	\$5,862,319	\$5,862,319	\$5,862,319
FTE (Certified)	46	48	48	48	48

Sources of Receipts: Fees related to motor vehicle use, surplus sales

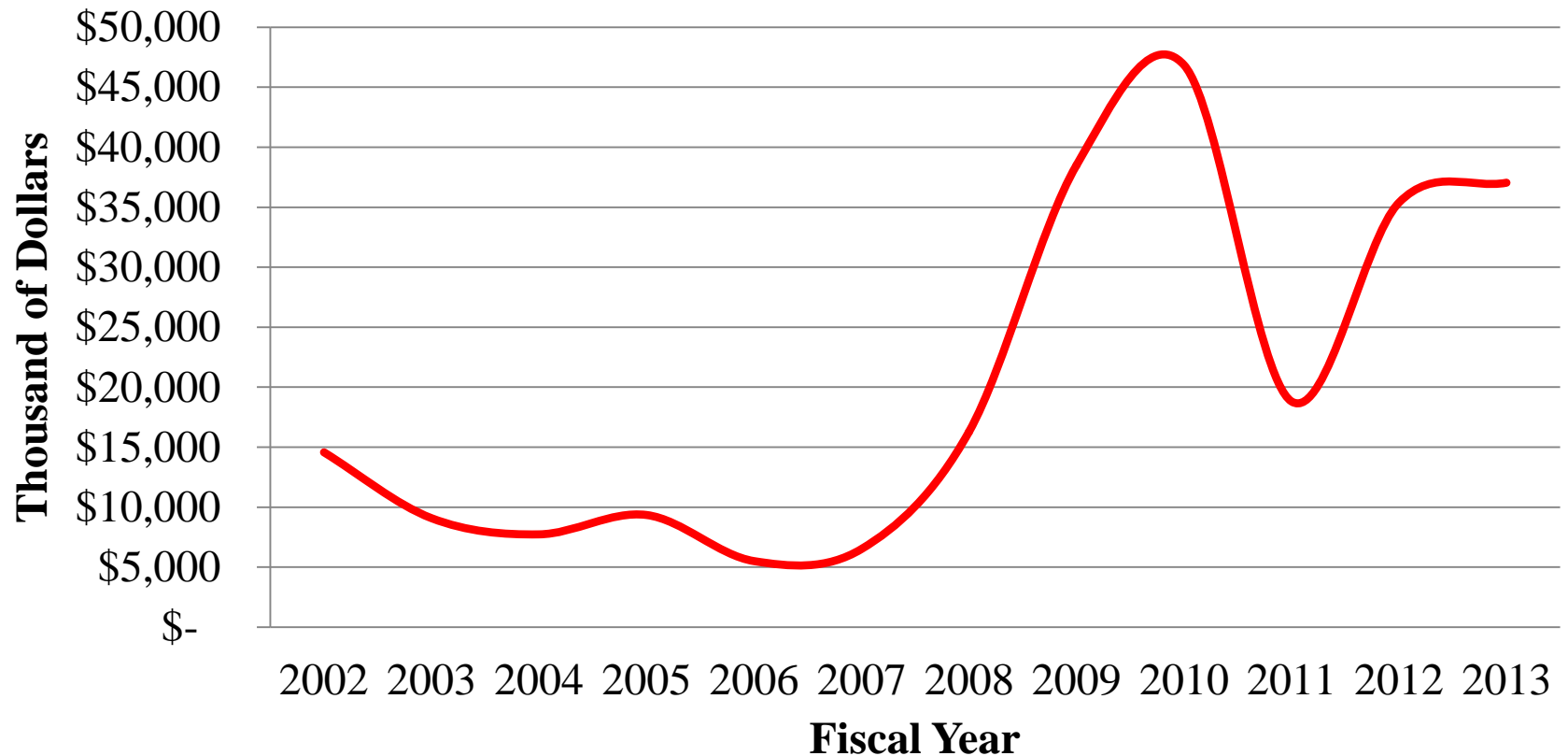
Motor Fleet Management

Certified Budget: FY 2013-14



Motor Fleet Management Fund

Cash Balance (Thousands)



Motor Fleet Management Fund

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 (Sept)
Balance	\$18,815,364	\$35,384,109	\$37,041,050	36,854,712

- Lack of vehicle purchases and reduced travel has caused Motor Fleet Management Fund balance to grow
- Governor and General Assembly directed approximately \$80.9 Million in transfers in FY 2009-10 and FY 2010-11
- FY 2012-13: \$25 million in interfund borrowing to manage cashflow
 - Repaid in same Fiscal Year

Motor Fleet Management

- Age of fleet a concern highlighted in recent Program Evaluation Reports
 - 18% of vehicles with more than 125,000 miles (Nov. 2013)
 - 53% of Vehicles 2006 model year or older (Nov. 2013)
- 571 DOA passenger vehicles purchased in 2013
- \$13 million budgeted for vehicle purchases for FY 2013-14

Recent General Assembly Actions

- Sec. 7.16, S.L. 2013-360 (Appropriations Act)
 - Requires the State CIO to develop an implementation plan for state vehicles
- House Bill 61
 - Based on PED reports
 - Statewide Fleet Management under Dept. of Administration
- Sec. 16A.2, Senate Bill 402
 - Removed Dept. of Public Safety from Motor Fleet

Motor Fleet Management

Program Evaluation Reports (PED):

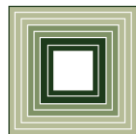
- Ineffective Policies and Diffuse Oversight Result in Inefficient Use of State-Owned Vehicles (April 2012)
- Motor Fleet Management Uses Best Practices, but Needs Telematics to Strengthen Accountability (March 2012)
- Inadequate Data and Fleet Information Management Weaken Accountability for North Carolina's Vehicles (December 2011)

Motor Fleet Management:

Received **B+** from recent PED Study

Only drawback was use of data

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