

Issue Brief – Division of Fleet Operations

NUMBER CFAS-06-08

SUMMARY

Beginning in the 1996 General Session and through the 1998 General Session, the Legislature passed several bills and statements of intent to strengthen the role of the Division of Fleet Operations (DFO) as the state's central provider of vehicles and vehicle information. The purpose of this issue brief is to review progress in accomplishing legislative intent and to look at other issues that have arisen in the division. In doing so, the brief summarizes the Analyst's observations and a legislative performance audit completed in October, 2005. This brief attempts to answer the following questions:

1. Did statutory changes in 1996 effectively lead to fleet centralization?
2. Could further savings be achieved through complete centralization?
3. What is the impact of increased gas prices?
4. At what point does it become economical to purchase hybrid vehicles?
5. Is 90,000 miles the most economical useful life of a standard vehicle?
6. How is the division managing take-home vehicles?

Did statutory changes in 1996 effectively lead to fleet centralization?

With passage of Senate Bill 266 (1996 General Session) the Legislature expressed its intent to consolidate the state fleet into the central motor pool. One reason for consolidation was to centrally track usage, maintenance, repairs and fleet size. Beginning in FY 2000 the division initiated a centralized database that provides access to all fleet records. The database has gradually improved and the Analyst believes it is meeting the Legislature's intent.

Another reason for consolidation was to ultimately maximize efficiency by managing operations of one large fleet rather than many independent small fleets. For the most part this has occurred, with DFO leasing vehicles to each agency, but some state agencies

continue to manage operations of at least a portion of their fleets.

Under its enabling statute (UCA 63A-9-401), DFO must:

- perform all administrative duties related to management of state vehicles
- coordinate all purchases of state vehicles
- establish a fleet automation and information system for state vehicles
- make rules establishing requirements for various aspects of fleet management, among which is "business and personal use practices, including commute standards"
- emphasize customer service

While the statute clearly requires the division to handle all administrative functions, it doesn't specifically give DFO the power to take over all operational functions for state agencies. The Departments of Natural Resources and Transportation own and maintain operational control over some vehicles in their fleets. These agencies are complying with all statutes and administrative rules such as entering data in the statewide information system, but prefer to do their own reservations and maintenance programs.

Statute also gives DFO the authority to delegate functions to a higher education institution if the institution has the resources to manage their own fleet, and the delegation is in the best interests of the state. Currently the University of Utah and Utah State University have been delegated this authority. Although delegation has been granted, they must comply with rules and participate in the statewide management information system. Over the past three years higher education institutions have increased their scores on DFO's "Report Card" system, indicating DFO is satisfied higher education is complying with documentation requirements.

Therefore the state fleet is not presently fully centralized in operational terms, but is closer than it has ever been. More importantly, DFO now controls all of the data through its Fleet Focus system. Even

agencies that maintain control of their vehicles must comply with DFO's rules regarding data entry.

The legislative audit concluded that while DFO's vehicle information system provides adequate vehicle monitoring data, DFO's assignment of responsibility for entering and maintaining accurate data to agencies has not worked well. DFO needs to more assertively ask agencies to monitor state fleet information.

Could further savings be achieved through complete centralization?

The goal of centralization is to manage all vehicles so the state can take advantage of economies of scale and remove redundancies in other agencies. The next logical step to search for savings is in

- Cross-utilization of vehicles
- Removal/reassignment of underutilized vehicles.

Cross-utilization of vehicles

Under a completely centralized fleet, vehicles leased by one agency but not in use at a particular time could be subleased to other agencies. In theory, this would allow for a reduction in the overall fleet size, since not every vehicle is always being used. In reality cross-utilization would be difficult for two reasons:

1. Control of vehicles. Except for daily motor pool vehicles, customer agencies lease vehicles on a monthly basis from DFO. Budgetary pressures create an incentive to lease no more vehicles than necessary so more funds can be available for an agency's mission. Agencies may be reluctant to "sublease" free vehicles to other agencies under the argument that they need all of their vehicles. Some monthly vehicles may be underutilized on a day-to-day basis, but agencies would probably not be comfortable nor able to plan their down time.
2. Funding sources used to purchase vehicles. Many vehicles are purchased with specific funding sources that preclude their use for other purposes. For example, vehicles purchased with federal grants in higher education may only be used for grant purposes.

These difficulties are not insurmountable. A module in the reservations database could be programmed to indicate whether vehicles are available from another agency's pool, and whether the vehicles are allowed for other users. It would require a change in attitudes

and support from high levels, but over time is achievable.

Removal/reassignment of underutilized vehicles

Perhaps the most viable short-term goal is to look at removing or permanently reassigning underutilized vehicles. DFO is looking at the possibility of creating a new policy that would reduce the number of underutilized vehicles. The Analyst recommends the Legislature support the creation of new procedures to address whether underutilized vehicles should be removed or reassigned.

The division estimates the minimum mileage for a vehicle to break even is approximately 62.5 miles per business day for daily pool vehicles, and 625 miles per month for monthly leased vehicles. The policy should require this as a minimum mileage in order to retain a standard vehicle, unless special circumstances apply. If agencies are underutilizing vehicles, they should be encouraged to consider other alternatives such as using the daily pool (instead of a monthly lease) or paying mileage reimbursement to employees to use personally-owned vehicles.

Administrative Rule R27-4-12 currently requires the division to do quarterly reviews of utilization "to determine whether the vehicles are being utilized in accordance with the mileage requirements contained in the applicable replacement cycles." The new policy should track vehicles being underutilized for three consecutive months, and then give agencies another three months to reallocate the vehicle internally. If this internal reallocation fails to bring vehicles up to minimum utilization, then DFO would use its authority to "reassign, reallocate or eliminate the replacement vehicles for vehicles that are chronically out of compliance with applicable replacement cycle mileage requirements to other agencies to ensure that all vehicles in the state fleet are fully utilized" (R27-4-12(6)).

Customer agencies may provide compelling justification to keep a vehicle slated for reallocation or elimination, such as a vehicle being confined to specific activities in a small area where no other options are available.

The Analyst recommends the Legislature endorse the actions of DFO and the Department of Administrative Services in drafting and implementing a minimum utilization policy. DFO will still be required to carry out its mandate to emphasize customer service and

consequently must work with customer agencies to provide effective alternatives.

The legislative audit recognized that some low-mileage vehicles are necessary because they are used frequently or are special purpose vehicles. “Though elimination, in most cases, does not appear to be possible, vehicle rotation would allow more efficient use of the fleet. Rotating vehicles would help DFO sell more vehicles at the optimal time in miles and years.” However, the audit concluded that DFO has significantly improved state vehicle utilization and corrected some deficiencies by monitoring utilization more effectively rather than leaving that responsibility to agencies.

What is the impact of increased gas prices?

From January 2005 to January 2006, retail regular-grade gas prices in the Rocky Mountain region rose from \$1.80 per gallon to \$2.11 per gallon, with a spike of \$2.98 per gallon in September. Today’s fuel prices are 18 percent higher than a year ago. The state pays about 60 cents less per gallon at state sites than retail sites because the state doesn’t pay forty four cents per gallon in state and federal taxes, and the state’s volume purchasing power generates an approximate ten percent discount through GasCard.

The Division of Fleet Operations passes its costs onto customers (mostly other state agencies) with a mandate to keep costs as low as possible and trying to break even. Changes to fuel and maintenance costs, based on prior year actual outlays, are made in the mileage rate. The mileage rate varies by class of vehicle, for example a ¾ ton truck is more expensive to operate than a compact sedan. If gas prices increase dramatically after rates have been set (as occurred in FY 2005) the agency generally absorbs the losses in retained earnings and asks for a rate increase in the following cycle.

In September 2005 the division requested approval of the Rate Committee to add thirty-three percent to the fuel portion of its mileage rate. The Rate Committee approved the division to request the increase to the Governor and the Legislature. The impact of the rate increase is an estimated \$1,216,000 across all customers. The impact on individual agencies will vary depending on how many vehicles and the class of vehicles they use, and the amount of miles they drive.

The division has experienced negative net operating results in its Motor Pool program in the last three fiscal

years. While rates should not be based solely on an ISF’s operating results, in this case increases in fuel prices are objectively verifiable and therefore the Analyst recommends the Legislature adopt the rate increase. Agencies can avoid the mileage rate by finding ways to drive fewer miles or driving vehicles in a less expensive class, if possible.

The division has passed along fuel saving tips to its customers. These can be found at www.fleet.utah.gov. One tip is to “reassess the type of vehicle you are using.” This leads to an analysis of purchasing more fuel-efficient vehicles.

At what point does it become economical to purchase hybrid vehicles?

As gas prices increase, more and more attention is paid to hybrid vehicles, which use a combination of a gasoline-powered engine and an electric motor to improve fuel efficiency. Unfortunately, the purchase price of hybrid vehicles is still over \$5,000 more than the standard gasoline-powered Ford Focus sedan under state contract.

Further, research indicates that hybrids don’t really achieve the stellar fuel economy promised in EPA tests. EPA test criteria do not consider modern driving habits or the use of air conditioners (though EPA criteria are scheduled for update in 2008). A recent review of the 2006 Honda Civic hybrid showed that while the car was rated at fifty miles per gallon, actual results for the reviewer were 36.3 miles per gallon (USA Today). According to fueleconomy.gov, users of the Toyota Prius experienced an average of 47.9 miles per gallon, rather than 55 estimated by the EPA.

According to the following table, even if EPA estimates were accurate, the state’s average gasoline price would have to reach \$2.69 per gallon (or about \$3.30 retail) before the lifetime fuel savings would break even with the higher purchase price.

Cost Effectiveness of Purchasing a Hybrid Vehicle (Using EPA Estimated MPG)							
Model	Purchase Price	17% Salvage Value	Total Capital Costs	EPA Estimated MPG	Estimated Replacement Mileage	Estimated Gallons Used	Total Gas Costs
Prius	\$18,141	\$3,084	\$15,057	55	90,000	1,636	\$4,409
Focus	\$13,019	\$2,213	\$10,806	28	90,000	3,214	\$8,660
			\$4,251				(\$4,251)
Breakeven Gas Price:		\$2.69					

Using actual results posted by drivers on fueleconomy.gov (47.9 miles per gallon for the Prius; 25 miles per gallon for the Focus), the state’s average fuel price in order to break even on the purchase of a Prius would be \$2.47 per gallon (or about \$3.07 retail).

Cost Effectiveness of Purchasing a Hybrid Vehicle (Using Actual Reported MPG)							
Model	Purchase Price	17% Salvage Value	Total Capital Costs	Users Reported MPG	Estimated Replacement Mileage	Estimated Gallons Used	Total Gas Costs
Prius	\$18,141	\$3,084	\$15,057	47.9	90,000	1,879	\$4,641
Focus	\$13,019	\$2,213	\$10,806	25	90,000	3,600	\$8,892
			\$4,251				(\$4,251)
Breakeven Fuel Price:		\$2.47					

Certain assumptions are made in this analysis which are difficult to ascertain. For example, the salvage value (resale) of hybrid vehicles has no track record. The estimated useful life of the electrical motors’ batteries is about ten years. Demand for used hybrids is strong right now, but in ten years other technologies may be available that will decrease the demand. For purposes of this analysis the standard 17% salvage value used by the division is assumed. The difference in maintenance costs is also unknown and is therefore assumed to be equal.

Based on these figures, gas prices have not reached a point where fuel savings will overcome the increased capital costs of hybrid vehicles. However, if fuel prices continue to increase or federal grants became available to lower the capital costs, the conclusion will change. The division is investigating the new federal energy bill to see if there are funds to offset the upfront costs of hybrid vehicles.

Is 90,000 miles the most economical useful life of a standard vehicle?

This question has received much scrutiny in the press recently due to a “rapid rotation” program used at a local government. According to an analysis done by Mercury and Associates, the practice of reselling

vehicles after eighteen months cost the local government millions of dollars. A separate analysis concluded that rapid rotation of Sheriff’s Office cars actually saved money due to higher early resale values of patrol cars.

In order to address the question for the state, the Analyst reviewed the records for ten randomly selected vehicles which were recently resold by the state. Such an analysis must consider the unique operating conditions of each vehicle—some are high mileage, some are low mileage, some have unique equipment installed, some are used in high wear and tear conditions, etc. Nevertheless, available data were sufficient to draw some conclusions.

The largest component of vehicle cost is depreciation. A review of various motor vehicle websites indicates that vehicles lose about seven to twelve percent of their value each year. New vehicles lose an average of twenty percent of their value the instant they are driven away from the dealership. When coupled to the average yearly depreciation of seven to twelve percent, the first year’s loss is anywhere from 25 to 35 percent. That translates to a first year \$6,000 to \$8,000 loss on a new \$22,500 vehicle, or more if the vehicle is driven more than average. Since the state purchases its

vehicles under a large-volume contract, its purchase price (and therefore depreciation) is lower than normal. Even so, it is clear that depreciation is highest in the first year of ownership. The following table shows typical depreciation rates on the vehicle models

reviewed by the Analyst. These numbers come from the car purchasing site Edmunds.com. Again, these numbers are probably higher than the state actually experiences, but illustrate that depreciation is highest initially.

Model	Year 1	Year 2	Year 3	Year 4	Year 5	Trend 6	Six-Year Total
Ford Taurus	43.4%	10.6%	9.3%	8.3%	7.4%	6.7%	85.7%
Chevy Cavalier	45.2%	10.3%	9.0%	8.0%	7.2%	6.5%	86.2%
Ford Crown Vic	40.0%	9.6%	8.4%	7.5%	6.7%	6.0%	78.2%
Ford F150 4x4	26.6%	9.8%	8.6%	7.6%	6.8%	5.9%	65.3%
Dodge Ram 1500	48.2%	9.2%	8.1%	7.2%	6.4%	5.6%	84.6%
Ford F350 Truck	21.1%	8.7%	7.6%	6.8%	6.1%	5.5%	55.8%
Ford Escape SUV	28.6%	8.8%	7.8%	6.9%	6.2%	5.6%	63.9%
Dodge Neon	49.4%	9.6%	8.5%	7.5%	6.7%	6.1%	87.8%
Dodge Caravan	38.5%	10.1%	8.8%	7.8%	7.0%	6.3%	78.5%
Toyota Corolla	26.3%	8.5%	7.5%	6.7%	6.0%	5.4%	60.4%

Source: <http://www.edmunds.com/apps/cto/intro.do>

Sedans and rear-wheel drive trucks have the highest depreciation rates. Large trucks and four-wheel-drive vehicles have the lowest rates. Depreciation is also based on miles driven, maintenance, general consumer demand for the model, the maker's reputation for quality, and the ability of State Surplus to resell vehicles for top dollar.

The division charges depreciation in its rates, with the standard schedule based on a six-year, 90,000 mile life, and an estimated salvage value of seventeen percent. The rate for a vehicle is adjusted upward or downward based on actual utilization. However, six of the ten vehicles reviewed reached 90,000 miles in five years or less. Only one vehicle reached six years of service. In the case of two Ford Crown Victorias (Department of Public Safety) one reached 110,000 miles in two and a half years, and the other 101,000 miles in just over three years. If the Analyst's sample is representative of the overall vehicle population, many vehicles are already being rotated more quickly than the division's standard schedule. Highway Patrol Vehicles are being rotated at about thirty months.

Maintenance records on Highway Patrol vehicles further indicate that a new vehicle receives \$1,400 worth of equipment add-ons before it is placed in service. Given that Crown Victorias have a high initial depreciation rate (up to forty percent in the first year and then less than ten percent in the following years)

coupled with expensive up-front equipment add-ons, it can be concluded that these vehicles should be kept in service as long as possible. This conclusion is illustrated in the following example, which is based on actual data and estimated depreciation rates.

	Upfront	18 Months	36 Months	Total
Purchase	\$23,000			
Equipment	\$1,400			
Maint/Repair		\$4,000		
Resell		(\$12,700)		
Purchase		\$23,000		
Equipment		\$1,400		
Maint/Repair			\$4,000	
Resell			(\$12,700)	
Total	\$24,400	\$15,700	(\$8,700)	\$31,400

This table is based on actual purchase and maintenance costs; the depreciation rate is an estimate and may vary depending on mileage, accidents, etc. If the state replaced its Crown Victorias every eighteen months, over a 36 month period it would consume two vehicles and incur total costs of \$31,400 (not including fuel).

The next table illustrates the costs of keeping one Crown Victoria for 36 months:

Three Year Costs of Crown Victoria with 36 Month Turnaround Assuming Edmunds.com Depreciation Rates				
	Upfront	18 Months	36 Months	Total
Purchase	\$23,000			
Equipment	\$1,400			
Maint/Repair		\$4,000	\$5,100	
Resell*			(\$9,600)	
Total	\$24,400	\$4,000	(\$4,500)	\$23,900
Savings over 18-Month Turnaround				\$7,500

In this case, over 36 months the state would incur higher maintenance costs in the second eighteen months, but avoiding the repetition of high first-year depreciation and capital costs more than offsets the slightly lower resell value. In this case it is estimated that the state would save \$7,500 over the eighteen month replacement scenario.

This analysis is sensitive to the depreciation rates. High mileage, market conditions, or vehicle condition could all have significant impacts. The following table is based on a Crown Victoria having high mileage (110,000 miles) and therefore a lower resale value:

Three Year Costs of Crown Victoria with 36 Month Turnaround Based on Actual Salvage Value of Sample Vehicle				
	Upfront	18 Months	36 Months	Total
Purchase	\$23,000			
Equipment	\$1,400			
Maint/Repair		\$4,000	\$5,100	
Resell*			(\$6,000)	
Total	\$24,400	\$4,000	(\$900)	\$27,500
Savings over 18-Month Turnaround				\$3,900

The high mileage causes the vehicle to resell for \$6,000 rather than the \$9,600 estimated for a lower-mileage car. Still, the state would save a total of \$3,900 over an eighteen-month replacement cycle. Given the sensitivity to depreciation rates, the Analyst recognizes that for some levels of government it may be possible to reach a point where an eighteen month replacement cycle costs the same or less than a 36 month cycle, depending on mileage and other conditions. However, the Analyst recommends the state continue to pursue a policy of keeping vehicles all the way to 90,000 miles or more in order to avoid frequent duplication of high first-year depreciation rates and equipment installations. Even a 36 month replacement cycle is still fairly rapid.

The table at the bottom of this page summarizes the information found on the ten vehicles reviewed for this report.

Year	Model	Purchase Price	Salvage Value	Actual Salvage Rate	Estimated Salvage Rate	Miles	Years in Service	Accidents	Maint/Rep Costs*	Costs Per Mile*
1998	Ford Taurus	\$14,651	\$4,000	27.3%	14.3%	77,223	6.0	0	\$2,542	\$0.17
2001	Chevy Cavalier	\$12,438	\$3,800	30.6%	27.5%	92,085	4.0	1	\$2,211	\$0.12
2001	Ford Crown Vic	\$20,874	\$3,800	18.2%	34.5%	101,268	3.5	4	\$9,942	\$0.27
2003	Ford Crown Vic	\$23,478	\$6,000	25.6%	42.0%	110,184	2.3	1	\$8,350	\$0.23
2000	Ford F150 4x4	\$18,249	\$5,856	32.1%	41.0%	93,833	4.7	0	\$6,083	\$0.20
2001	Dodge Ram RWD	\$15,836	\$6,500	41.0%	47.7%	105,886	4.2	0	\$2,560	\$0.11
2000	Ford F350 Truck	\$26,901	\$13,050	48.5%	55.8%	213,837	3.8	0	\$14,396	\$0.13
2001	Ford Escape 4x4	\$19,361	\$5,568	28.8%	54.8%	85,714	3.0	0	\$2,707	\$0.19
1998	Plymouth Neon	\$11,832	\$3,500	29.6%	12.2%	46,347	5.3	0	\$728	\$0.20
2002	Dodge Caravan	\$18,567	\$10,656	57.4%	42.6%	36,254	2.5	2	\$377	\$0.23

*Does not include all vehicle costs such as fuel, accident repairs, washes, or other costs that are not impacted by age of vehicle.

The data support the conclusion that, as a general policy, it is better to flatten out the depreciation curve by keeping vehicles as long as possible until they

reach a point where reliability, maintenance costs, and resale value become counterproductive. This will vary by vehicle.

As noted earlier, depreciation is based on miles driven, maintenance, general consumer demand for the model, and the maker's reputation for quality. The Analyst notes that first year depreciation on a Toyota Corolla is 26.3 percent, (60.4 percent over six years) compared to 45 percent for a Chevrolet Cavalier (85.7 percent over six years), or 38 percent for a Ford Focus (80 percent over six years). The division may save costs by purchasing vehicles with lower depreciation rates. The obstacle to doing so has been higher acquisition costs, but the Analyst recommends the division continue to pursue the possibility of incorporating lower-depreciation vehicles in the fleet.

How is the division managing take-home vehicles?

The term "take-home vehicle" is general and can be broken down into three types:

1. "Take-home vehicle" means the employee is authorized to drive an assigned state vehicle to and from the employee's residence to their assigned work location for more than five days per month, so the employee can perform his or her job. The employee's use of the vehicle is a working condition benefit and not a taxable fringe benefit.
2. "Personal use" means the employee is authorized to use a state vehicle to conduct personal affairs not related to state business. This is a taxable fringe benefit. It is the least common type of take-home vehicle and must be directly approved by the Legislature.
3. "Commute use" means the employee is authorized to drive the state vehicle from the employee's place of business to the employees' residence, until the start of the next business day, more than five days per month. This is a taxable fringe benefit.

A report written by the Office of the Legislative Fiscal Analyst in 1995 recommended the "policies and procedures for commute authorization need to be enhanced to include measurable criteria for justification and a workable method for tracking compliance with the criteria... The MP 2 [Request for Commute Authorization] should be modified to include quantifiable measures to substantiate justification for commute."

During the last year DFO has taken steps to strengthen its rules and policies regarding take-home vehicles. Measurable criteria are now included in the

administrative rule and reflected on the MP 2 form. A report is available on-line that shows each agency's take-home vehicles by driver and vehicle. A review of this data by the Analyst found several database programming or data input errors, but these were corrected by DFO when brought to their attention. Agencies need to review the data on a regular basis so they can notify DFO regarding errors.

The following is a summary of the policies and procedures now in place for managing take-home vehicles.

Measurable Criteria

Commute or take-home use may be approved when one or more of the following conditions exist:

1. 24-hour "On-Call." An agency must clearly demonstrate that the lack of a commute or take-home vehicle could lengthen response time to the degree of endangering human life or causing significant property damage. Each driver is required to keep a complete list of all call-outs on the monthly DF-61 form. No minimum number of call-outs is set by DFO, so this becomes a decision for the agencies.
2. Virtual office. An agency must clearly demonstrate that an employee is required to work at home or out of a vehicle at least 80 percent of the time and the vehicle is required to perform critical duties in a manner clearly in the best interest of the state.
3. Practicality. An agency must clearly demonstrate that it is more practical for the employee to go directly to an alternate work-site rather than report to a specific office to pick up a state vehicle.
4. Legal compensation. An employee may have a personal use vehicle if specifically allowed by law.

Application Requirements

Each driver being given take-home privileges must annually submit a completed commute form (MP 2) or a similar on-line form. The agency must have internal policies in place that meet the minimum criteria described above, and the agency's executive director must approve each driver's privilege. DFO enters and tracks the data in its fleet information system. Each vehicle is considered a taxable fringe benefit (commute use or personal use) unless information is

specifically entered indicating the vehicle is exempt under IRS guidelines for take-home vehicles.

Enforcement

Agencies with drivers who have take-home privileges are required by administrative rule to establish internal policies that are at least as stringent as those established by DFO. Agencies are also required to enforce their take-home vehicle policies, but DFO requires unauthorized use to result in suspension or revocation of take-home privileges. Additional instances of unauthorized use may result in suspension or revocation of any state vehicle driving privilege.

While DFO has taken positive steps in the last year to

strengthen the rules of take-home vehicles, there are still additional steps that need to be taken. A review of drivers with take-home privileges indicates that certain agencies may be more lenient in granting privileges than others. The Analyst believes the policies and procedures can still be tightened so similar positions across departments are treated similarly. The Analyst recognizes a fine line between DFO's customer service mandate and its enforcement role. However, uniform enforcement of policies requires that DFO take a more active enforcement role rather than rely on customer agencies to enforce themselves.

The following table shows a high-level take-home vehicle summary:

<u>Department</u>	<u>Take-Home Vehicles</u>	<u>Percent of Fleet as Take-Home Vehicles</u>
ADMIN SERVICES DAILY POOL	1	1%
ADMINISTRATIVE SERVICES	19	14%
AGRICULTURE	39	37%
ALCOHOLIC BEVERAGE CONTROL	0	0%
ATTORNEY GENERAL	20	56%
BE BOARD OF EDUCATION	1	2%
BE SCHOOL/DEAF & BLIND	11	35%
BOARD OF PARDONS	5	83%
BR BOARD OF REGENTS	0	0%
BR COLLEGE OF EASTERN UTAH	0	0%
BR DIXIE COLLEGE	3	6%
BR SALT LAKE COMMUNITY COLLEGE	3	3%
BR SNOW COLLEGE	1	2%
BR SOUTHERN UTAH UNIVERSITY	7	5%
BR UNIVERSITY OF UTAH	20	4%
BR UTAH COLLEGE OF APPLIED TEC	5	5%
BR UTAH STATE UNIVERSITY	2	0%
BR UTAH VALLEY STATE COLLEGE	2	1%
BR WEBER STATE UNIVERSITY	13	9%
COMMERCE	32	89%
COMMUNITY & ECON DEVELOP	0	0%
CORRECTIONS	160	41%
COURTS ADMINISTRATION	15	9%
ENVIRONMENTAL QUALITY	0	0%
GOVERNORS OFFICE	3	60%
HEALTH	4	7%
HUMAN SERVICES	0	0%
INSURANCE DEPARTMENT	10	91%
LABOR COMMISSION	9	31%
NATIONAL GUARD	1	3%
NATURAL RESOURCES	78	10%
PUBLIC SAFETY	447	59%
STATE AUDITOR	1	33%
STATE TREASURER	0	0%
TAX COMMISSION	38	67%
TRANSPORTATION	112	3%
TRUST LANDS ADMINISTRATION	0	0%
WORKFORCE SERVICES	0	0%
Totals	1,062	11%

The number of take-home vehicles has declined from 1,351 to 1,062 since the spring of 2005. This indicates progress in educating agencies about the proper use of these privileges. The Analyst believes further progress can be made by closely examining employees who are using take-home vehicles. The Analyst recommends the division work with agencies to scrutinize the use of take-home privileges and reduce the number of drivers who are not clearly justified.

The legislative audit also further stated that “some current take-home vehicle assignments appear to be unnecessary for performing job duties as outlined by state policy.” The take-home program should help employees perform their jobs in a manner benefiting the state.

CONCLUSION

The conclusions of the Analyst and the Legislative Auditor General tend toward saying that DFO needs to become more of an enforcer of state policy and perhaps slightly less customer-driven. Again, this is a difficult balance. The division will need support from departmental, executive branch, and legislative branch personnel if it is to implement a cultural shift.