HOUSE RESEARCH ORGANIZATION bill analysis | 4/29/1999 | HB 3125 Chisum (CSHB 3125 by Wolens)

SUBJECT: Management plan for state agency vehicle fleets

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Wolens, Bailey, Brimer, Counts, Danburg, Hilbert, Hunter, D. Jones, Longoria, Marchant, McCall, Merritt

0 nays

3 absent — S. Turner, Alvarado, Craddick

WITNESSES: None

DIGEST: CSHB 3125 would require the Office of Vehicle Fleet Management of the General Services Commission (GSC) to develop a management plan to improve the administration and operation of vehicles owned by the state. The development of the plan would be directed by the State Council on Competitive Government and would have to address the following issues:

- opportunities to consolidate and privatize the operation and management of vehicle fleets in areas with a concentration of state agencies;
- recording the number, type, and purpose of vehicles owned by each state agency;
- increasing the use of vehicles and improving the efficiency of the state vehicle fleet;
- reducing the cost of state vehicle maintenance;
- selling excess state vehicles; and
- developing lower-cost alternatives to using state vehicles, including rental cars and reimbursement of state employees for using personal vehicles.

The bill would require GSC to sell excess vehicles identified by the management plan and deposit the proceeds into the account that the agency used to buy the vehicles.

CSHB 3125 would prohibit state agencies from buying vehicles before June 1, 2000, without GSC approval. Agencies could buy vehicles on or after June 1, 2000, if the vehicles were recommended in the management plan. The bill's restrictions would not apply after September 1, 2001. Vehicles bought for law enforcement, emergency, or safety purposes would be exempt from the purchasing restrictions, as would heavy equipment, including tractors, bulldozers, and vans designed to transport at least 15 passengers, if the agency had bought heavy equipment in previous years.

The bill would direct the Texas Department of Transportation, Department of Public Safety, Texas Department of Mental Health and Mental Retardation, Texas Parks and Wildlife Department, and Texas Department of Criminal Justice to help the office develop the management plan.

The office would have to file an annual report with the Legislature containing vehicle information submitted by state agencies and a list of agencies that did not submit complete information. The office would have to review the operation of each agency's vehicle fleet, report to the Legislature on the status of each fleet, and recommend ways to improve the operation of each fleet by January 1 of each odd-numbered year.

The bill would take effect September 1, 1999. The office would have to prepare the management plan and present it to the Legislature by January 31, 2001. The office would have to sell excess vehicles identified by the management plan by August 31, 2001.

SUPPORTERS SAY:

The comptroller's Texas Performance Review has recommended that GSC adopt a state vehicle management plan, which could lead to significant cost savings and greater efficiency in managing state vehicles.

Texas spends 7 cents more per vehicle-mile on average to manage its vehicles than does the federal government. No single authority coordinates state vehicle use among all agencies. A centralized system is necessary to review statewide vehicle management policies effectively and to improve the efficiency of state vehicle use.

The management plan could lead to the consolidation of state vehicle fleets in areas with a high concentration of state agencies, such as the Capitol complex in Austin. This could lead to improvements in efficiency and cost savings by pooling repair services and other measures. The Aircraft Pooling Board has used consolidation measures successfully to improve the operation of state aircraft. California has a successful state management plan based in part on centralized vehicle management. Texas should develop a state management plan using the lessons learned by other states and by Texas agencies and applying them to managing the state vehicle fleets.

The moratorium on the purchase of new vehicles would save the state at least $20 million in fiscal 2000, including $8.6 million in general revenue. A moratorium is necessary to ensure that all new vehicles purchased by the state conform to the management plan, except in the special cases listed. Agencies could ask GSC for an exemption to the moratorium if an agency had a strong need for new vehicles not covered by the exceptions in the bill.

The proposed management plan would be developed with the participation of the five state agencies that use the greatest number of state vehicles. These agencies account for 70 percent of total state vehicle use and have developed their own vehicle fleet management programs. Any plan developed as a result of this bill would respect the interests of these agencies.

OPPONENTS SAY:

A state management plan could interfere with the efficient vehicle fleet management programs already used by some state agencies. The bill would not prevent GSC from recommending changes to agencies' operating and management procedures against the will of the agencies affected. The Legislature should provide better guarantees to agencies with experience in managing large vehicle fleets that the management plan would not interfere with their operations.

The moratorium on new vehicle purchases could hinder agencies that need new vehicles that are not covered by the exceptions listed in the bill. Many agencies could suffer in their performance if they cannot buy vehicles. The ability to apply for an exemption from GSC might not be sufficient to meet the short-term vehicle needs of some agencies.

CSHB 3125 makes the assumption that privatization will lead to greater efficiency and cost savings for the operation and management of state vehicles. However, case studies in other states have shown that privatizing public vehicle operations does not always meet these goals. Privatization could lead to higher costs for state agencies and loss of agency control over vehicle operations.

The provisions of the bill requiring a management plan to address lower-cost alternatives and the sale of excess state vehicles could create problems for agencies. Many agencies provide reimbursement for the use of rental cars and personal vehicles through travel accounts, which often are not as well funded as vehicle accounts. The bill would not specify who could make a decision as to whether a vehicle is “excess” to an agency’s needs.

NOTES: The committee substitute removed provisions in the original bill that would have required the office to review the accuracy of the vehicle information data submitted by state agencies and to oversee the operation, coordination, consolidation, and management of state vehicles.

The substitute would require the Council on Competitive Government to direct the office in developing the state vehicle management plan. It would require the plan to address opportunities for privatizing the operation and management of vehicle fleets, the number, type, and purpose of vehicles for each agency, and procedures to increase the use and efficiency of state vehicles.

The substitute added the exemptions from purchasing restrictions for vehicles bought for safety purposes and for heavy vehicles or large passenger vans bought by agencies that previously had bought such vehicles. The substitute also changed the final date for the moratorium on purchasing of most vehicles to June 1, 2000, and would allow agencies to buy vehicles between June 1, 2000, and September 1, 2001, if approved by GSC.