

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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To: Legislative Budget Committee
From: Dylan Dear, Senior Fiscal Analyst
Audrey Dunkel
Re: Vehicle Purchases

The Legislative Research Department received a request from the House Appropriations Committee for an interim committee studying vehicular replacement. In order to prepare for such an interim topic, the Department has begun to develop a database of vehicle purchases and a survey of state vehicle replacement policies. Neither of these projects is fully complete but a summary of the preliminary data is included in this memorandum.

During the 2012 Legislative Session, state agencies submitted FY 2013 enhancement requests for replacement of 202 vehicles for \$2.2 million from the State General Fund and \$4.6 million from all funds. The majority of the State General Fund request was for the Department of Corrections System with 62 vehicles, at a State General Fund cost of \$1.4 million. The legislature approved the replacement of 66 vehicles with \$53,764 from the State General Fund and \$1.4 million from all funds.

For comparison, in FY 2012, the State of Kansas, excluding the Highway Patrol, actually purchased 350 vehicles at a cost of \$976,578 to the State General Fund and \$6,763,755 from all funds. During FY 2012, 63 of the 350 vehicles purchased were funded at least in part by the State General Fund. The average mileage at the time of replacement was 155,328.¹ The State replaced 172 trucks and 91 sedans as well as various vans and SUVs.

Twenty seven states² have responded to the "State Vehicle Replacement Guidelines Information Request" mentioned in the first paragraph of this memorandum. The responses include:

1. Does your state require legislative approval of passenger vehicle replacement?
 - 26.9 percent of respondents require legislative approval of vehicular purchases. The remaining 73.1 percent have legislative approval of budgets; however, vehicular purchase approval is handled by the executive branch.

¹ The average includes all vehicles within two standard deviations of the arithmetic mean. This excludes most vehicles which were replaced due to accident or had extremely high mileage due to infrequent use over a long period of time.

² AK, AR, AZ, CA, CO, CT, GA, ID, IL, KS, LA, MD, MO, MS, NC, ND, NE, NJ, NM, OH, OK, RI, SC, SD, WA, WI, WV.

2. Does your state maintain a State Motor Vehicle Pool?
 - 69.2 percent of respondents maintain a motor vehicle pool. The remaining 30.8 percent no longer maintain a vehicle pool. Kansas began dissolving its own motor vehicle pool starting in FY 2003.
3. Does your state have a minimum mileage threshold for vehicle replacement?
 - 18 of the 27 states have a minimum threshold for vehicle replacement. The average replacement threshold is 101,667 miles. The lowest threshold was 75,000 miles and the highest was 125,000 miles.
4. Are there any state policies that encourage the purchase of electric or other alternative energy vehicles?
 - 64.5 percent of states have policies encouraging the purchase of electric or alternative fuel vehicles.
5. Does your state use a private insurer or does your state self-insure for liability coverage?
 - All responding states are self-insured for liability coverage.
6. What is the reimbursement rate for state employees using their own vehicles for work-related business?
 - Most of the states responding use the federal reimbursement rate of \$0.55 per mile³; alternatives include reimbursement rates as low as \$0.20 per mile, a set percentage below the federal rate between \$0.04 and \$0.03 per mile, or varying rates depending on whether a rental or motor pool vehicle is available.

DCD/kal

³ Twelve of the 27 states responding to the survey use the Federal Reimbursement Rate including Kansas.