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# Certified Public Manager Project

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Waccamaw Public Health District

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STATE DOCUMENTS

STATE DOCUMENTS

**Paula Johnson and Judy Goff**

**CPM Project**

**Analysis of Travel Costs in Waccamaw District**

**February 24, 1999**

Waccamaw Public Health District has 26 leased state vehicles for use by 400 employees. These vehicles are signed out as needed by staff when traveling on agency business. The SC DHEC External Procedures Manual requires staff to drive a state car when "reasonably" available. When a state car is not available, you may drive your personal vehicle and claim the full reimbursement of .255 cents per mile. If a state car is available but staff choose to drive a personal vehicle, a reduced rate of .215 cents per mile must be claimed (60).

Currently, there is no system in place in the District to monitor state car usage versus employee reimbursement for mileage. Each state car has an established mileage threshold (or break-even point) based upon usage. If the car is driven above that specific mileage per month, then the District saves money by leasing the car. If the car is driven less than that specific mileage, then the District loses money.

Using fiscal year 1997 data, we will complete a cost analysis comparison of state owned and personally owned vehicles. Through research of data regarding state car usage, state car cost, and employee reimbursement for personal vehicle use, we will determine the most cost-effective option for Waccamaw District. We believe our research will show that fully utilized state

**cars would be the most cost effective option. Management will be able to use these outcomes in the strategic and operational planning process for SC DHEC - Waccamaw Public Health District in F/Y 2000.**

**Cars are leased by Waccamaw District from the State of South Carolina Fleet Management Division. Lease prices are based on the value of the car; i.e., newer vehicles have a higher lease cost. To determine the level of state car usage, a sample of monthly state car logs was pulled (Appendix I). These logs record the miles a state car is driven, by whom and for what purpose. A table was created showing the break even miles, the actual miles driven and the assigned site of each state car (See Appendix II). This data reflected a 38% underutilization of state leased cars.**

**To gather employee travel reimbursement data, a random sample was taken of employees who consistently received monthly reimbursement for private vehicle use in F/Y 1997. From this information it was possible to establish an average monthly travel reimbursement amount of \$251 with an average of 984 miles being driven by individual District employees. Less than 1% of these employees claimed reduced mileage. Approximately 200 District employees submit documentation for travel reimbursement per month. If each employee travels an average of 984 miles, reimbursement costs will run approximately \$50,200 per month for 196,800 miles driven. Stratification of data by program revealed no significant differences. Research indicates employees are using personal vehicles when state cars are available, and are not claiming reduced mileage as SC DHEC policy stipulates. We can use this data to**

project that if employees reduced their use of personal vehicles by 50%, leased state car usage would increase by 98,400 miles per month and each leased state car would exceed the break-even point. District employee travel reimbursement costs could be reduced by \$25,000 per month.

To research the underutilization of state leased cars, an informal staff survey was conducted. Various reasons cited by staff for electing to drive personal vehicles include:

- Employees cannot smoke in state cars
- Inconvenience of transferring job-related materials to state cars
- Inconvenience of signing out state cars, traveling to the site to pick the car up, leaving a personal car unattended at night while traveling out of town
- Travel reimbursement provides increased monthly income
- State cars are not clean/not reliable/not familiar
- Management staff do not utilize state cars

Employee noncompliance with state car policies is a contributing factor to increased travel costs for the District and must be considered when making recommendations for change. Some of the issues raised are valid and can be effectively addressed in recommendations for improvement. Realizing that resistance often accompanies change, it is important to explain to staff the need for the change. Requesting and responding to feedback from staff for several months after the changes are implemented will increase staff involvement in the process and therefore facilitate acceptance.

At least two administrative tracking systems are needed to adequately address this complex issue. A user-friendly system to check state car availability should be available to all staff charged with approving travel reimbursement vouchers, and personal vehicle usage/state care expenditures should be tracked in order to monitor the viability of state car leasing.

Currently, all state vehicles are signed out for use at each site. One administrative person in each site is responsible for signing state cars out to staff and tracking maintenance and cleanliness of vehicles. Staff submit personal vehicle reimbursement requests (vouchers) at the end of each month to their supervisor for approval/signature. We will recommend the following plan to the District Management Team to increase state car utilization and ensure that reduced mileage is charged when appropriate. On the last day of each month, each site will report to the District Office the number of days that month a state car was available and not used. A District Office staff person (to be designated by the District Administrator) will combine this information from all sites and distribute via e-mail to all users in the District by the 5<sup>th</sup> of the following month. As supervisors sign off on travel, they can easily check to see if a state car was available and whether reduced mileage was claimed. If errors are detected, the travel voucher can be corrected prior to processing. If a trend is discovered by the supervisor, then she/he could address that on an individual basis. The absence of a monitoring system has more than likely contributed to the rate of abuse in incorrect reimbursement rates requested. Consequently, the simple introduction of a system would reduce the problem, but the effective

implementation of this plan by both supervisors and upper management would virtually eliminate overpayment for personal vehicle usage.

Projected obstacles to the plan include:

- Supervisors being given "one more thing" to track
- Designating a responsible support person to pull all information together.
- Timely submission of travel reimbursement vouchers

This process would require a commitment of time from supervisory staff, but this small investment of time will allow better adherence to State policy and more efficient use of Agency funds. In reality, we are not introducing a new concept but putting in place a system that will expose errors which have previously gone unnoticed. This process gives supervisors the tools they need to check travel for accuracy and does not require them to pull any records to verify information.

Designating a responsible person will likely be the biggest obstacle we will face. Currently, we have an assigned person who monitors state car usage and maintenance at each site. The coordination of this effort would be simple and require a minimal amount of time. The assigned administrative person in the different sites could E-mail the dates state cars sat idle to the district coordinator. He/she would then pull this information together from all 12 sites and E-mail the consolidated information back to the sites for travel review. On an average, we estimate this would take 45 minutes per month to complete.

According to the SC DHEC External Procedures Manual, travel is

submitted monthly if the amount is over \$25.00. If the travel reimbursement is not \$25.00 or more, then travel must be held and turned in quarterly (32). To address this situation, the site supervisor could generate a hard copy of the e-mail and file for reference until all travel has been submitted.

Our second recommendation and the second tracking system necessary to monitor state car leasing viability, is the creation of a computer database that compares employee reimbursement costs to state car utilization costs by site. If a state car is available at a specific site, yet employees headquartered there choose to drive their personal vehicles and accept reduced mileage, then a decision should be made as to whether we should continue to lease that state car or turn it in. This data would assist in the appropriate assignment of state cars to sites based on usage, and cost savings to the district.

With these monitoring systems in place, the District Management Team should be able to make more informed decisions/plans regarding budgetary expenditures relating to travel. In today's marketplace, both public and private entities must do more with less. It is vital to have information systems in place to provide accurate and timely data for decision making. We believe these systems will improve budgetary decision making and thereby enhance fiscal accountability of public funds.

**Works Consulted**

**South Carolina. Department of Health and Environmental Control. Bureau of Finance. External Procedures Manual. September, 1994: 32-60.**

**South Carolina. Budget and Control Board. Center for Education, Quality and Assessment. Quality Management Skills.**

**South Carolina. Budget and Control Board. Center for Education, Quality and Assessment. State Government Processes.**

**STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF MOTOR VEHICLE MANAGEMENT**

APPENDIX I

1022 Senate Street  
Columbia, S.C. 29202

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*[Handwritten signature]*

VEHICLE TAG NUMBER				YEAR	MONTH	AGENCY CODE	MONTH ENDING MILEAGE
5	C	6	0178	95	05		83513
IDLE TIME		DOWN TIME	CONDITION	COMMUTING MILEAGE		STARTING MILEAGE	
		115	1	A	1		82785
							MILES USED
							728

I certify that all entries are true and correct in every matter and conforms with the requirements of State laws, rules and regulations.

Signature of Driver

Signature of Approving Supervisor

Date	Driver's Name	Odometer Reading		Travel		Job Function Performed	No. of Pass.
		Beginning	Ending	From	To		
4-26-96	Jay Cox	82785	82891	HQ	Aynor, Little River	Food Protection	0
4-29-96	Jay Cox	82891	82937	HQ	Conway	Food Protection	1
4-30-96	Jay Cox	82937	82973	HQ	Green Sea + Fiddlea	Food Protection	1
5-1-96	Jay Cox	82973	83023	HQ	Conway + PtA	Food Protection	1
5-2-96	Jay Cox	83023	83095	HQ	MBS, Little River	Food Protection	1
5-3-96	Jay Cox	83095	83150	HQ	Conway	Food Protection	1
5-6-96	Jay Cox	83150	83209	HQ	Conway	Food Protection	1
5-7-96	Jay Cox	83209	83320	HQ	Conway NYB	Food Protection	1
5-8-96	Jay Cox	83320	83382	HQ	Conway, Aynor	Food Protection	0
5-8-96	Rita Hamilton	83382	83513	HQ 131	Inlet Square Mall	meeting (check)	1
5/10/96	Rachel H. Coats	83513	83582	HP 61	Advanced Health Partners Dept. - Aynor		2
no have been broken down since							

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## State Car Expenditures

State Car	Car Cost	Break Even Miles	Actual Miles				Headquarters
			0996	1296	0397	0697	
SG64332	235.00	1880	1724	1143	1173	2265	CHD
SG64333	235.00	1880	1388	1459	2151	1025	CHD
SG64345	235.00	1880	1618	1481	2328	1849	CHD
SG70778	255.00	2040	2395	1610	2154	0	CHD
SG68031	235.00	1880	1475	1102	1980	1162	CHD
SG63621	235.00	1740	1234	547	881	1087	LHD
SG64368	235.00	1880	1016	1128	1159	574	LHH
SG69550	200.00	1600	1741	1744	1964	1652	MBHD
SG64403	235.00	1880	1768	1439	2251	1462	MBHD
SG68009	235.00	1880	1039	582	1061	550	CHH
SG64382	235.00	1880	1918	1256	2183	1101	MBHD
SG64128	190.00	1407	765	645	1163	686	CHD
SG70939	255.00	2040	2274	1202	885	1110	MBHD

State Car	Cost	Break Even Miles	Actual Miles 0996				Headquarters
				1296	0397	0697	
SG64346	235.00	1740	2474	1166	1482	960	GHD
SG64347	235.00	1880	898	926	1411	1811	KHH
SG62549	235.00	1880	912	1956	2208	-	KHD
SG63634	235.00	1740	910	1084	1062	978	GHD
SG64130	190.00	1407	974	1081	902	1214	KEH
SG64303	235.00	1880	1704	1574	745	1869	KHD
SG64370	235.00	1880	1659	1665	1381	1616	AHD
SG60178	235.00	1880	892	621	1070	-	KHD
SG60241	235.00	1880	1758	1412	574	-	KHD
SG60366	235.00	1880	1008	747	268	-	KHD
SG62014	225.00	1666	1226	1837	1694	-	KHD
SG63243	235.00	1740	1165	979	837	1812	GHD
SG63293	235.00	1740	912	922	1822	1384	GHH
SG72017	235.00	1740	-	-	-	1043	CHD
SG72034	235.00	1740	-	-	-	1691	KHD
SG72111	235.00	1740	-	-	-	1199	KHD
SG72026	235.00	1740	-	-	-	1166	CHD
SG72003	235.00	1740	-	-	-	1916	CHD