

Ohio Department of Public Safety

Performance Audit Summary

WHAT WE LOOKED AT

The Ohio Department of Public Safety (ODPS) is the third largest state agency with almost 4,000 employees in its six divisions. These divisions function independently to carry out missions related to serving and protecting Ohioans. This audit reviews selected aspects of the Department's operations to ensure efficient, effective, and transparent operations. The areas chosen for review are as follows:

- **Department Staffing**, focusing on support staff in human resources, general services, fiscal services, and administrative assistants.
- **Bureau of Motor Vehicles**, centering on an examination of efficiency and opportunities to increase revenues while minimizing fee increases to Ohioans.
- **Information Technology**, emphasizing the efficient and effective use of technology, as well as appropriate governance and oversight.
- **Fleet**, ensuring appropriate policies and procedures centering on efficiency and effectiveness, as ODPS and the State Highway Patrol (OSHP) maintain a larger fleet than many other agencies.

WHAT WE FOUND

Overview: ODPS had a budget appropriation of approximately \$800 million in FY 2020, the bulk of which was generated from taxes, fees and fines paid by Ohioans.

Staffing: ODPS employs duplicative positions in several areas. During the course of the audit, staffing was reduced by 160 employees with an associated cost savings exceeding our estimate of \$12 million, though Department leadership plans to rehire several positions in the upcoming fiscal year. Additional opportunities exist to reduce staffing and more effectively oversee agency employees. Further, the approximately 1,600 sworn officers of the OSHP comprise more than 40 percent of ODPS staff and may be staffed at a level higher than similar sized states.

Bureau of Motor Vehicles (BMV): This division provides titling and licensing services to Ohioans and generates nearly \$1 billion in annual revenues to support ODPS and other entities. BMV provides services through a combination of on-line, mail, and telephone options, as well as in-person services provided by its privately operated network of Deputy Registrar offices. This model is more efficient than ODPS providing all services directly, but opportunities for increased efficiency still exist. These opportunities appear in the Department's selection of options by which Ohioans can interact with BMV and in its tracking of revenues.

Information Technology (IT): ODPS IT is appropriately staffed based on peer averages and industry standards, but it uses a significant number of consultants in roles that may be better suited for permanent employees. Further, the deployment of new devices is not done in an efficient manner, leading to costly reductions in employee productivity. Finally, the Department did not strictly adhere to internal IT Project Governance procedures which could result in costly delays in project development and deployment, though it restarted its governance process in July 2020 as a

result of our feedback. ODPS IT had estimated spending of nearly \$100 million in FY 2021, or approximately 12.5 percent of the Department’s overall budget appropriation. We found that by replacing older technology with new equipment to increase employee productivity could improve worker effectiveness by the equivalent of \$2.9 million in employee time over the course of one year.

Fleet: ODPS maintains a fleet of more than 2,000 vehicles and equipment. The vast majority of the fleet is State Highway Patrol vehicles. The Department is one of a few self-managed fleets within state government, and is required to adhere to specific regulations in order to maintain this status. We found that there were several opportunities for improved operations that would result in better adherence to regulations and significant cost savings for the Department. For example, the Department does not adhere to existing fleet management policies resulting in inefficient fleet management operations and costing the agency an addition \$1.2 to \$1.9 million in annual costs. Also, ODPS does not have a policy in place to assess the relative costs and benefits of allowing OSHP officers to take home vehicles, and therefore cannot determine the efficiency or effectiveness of this practice.

DEPARTMENT STAFFING

Recommendation 1.1: ODPS should reduce staffing by 147 full time equivalents¹ (FTEs) in specific functional areas throughout the Department. This reduction in staffing could result in approximately **\$12 million** in annual savings. While the Department has reduced staffing during this audit, it should be cautious as it rehires individuals in critical positions and seek to reduce staffing where efforts are duplicative or inefficient.

Issue for Further Study 1: The sworn officers of OSHP represent more than 40 percent of ODPS staffing. We were unable to obtain detailed information from peer states regarding staffing and activities of other state highway patrols in order to conduct a detailed analysis. However, we noted that OSHP employs more officers per highway mile and per resident than peer states. Based on the high level analysis, ODPS should conduct a further review of OSHP staffing to determine the appropriateness of the current staffing level and communicate the results of that review to the General Assembly during the biennial budgeting process.

BUREAU OF MOTOR VEHICLES

Recommendation 2.1: ODPS should advertise the benefits associated with the on-line and telephone services provided by Ohio BMV. Increasing the number of transactions conducted on-line or via telephone would reduce the incremental costs for operating these systems.

Recommendation 2.2: The Department should work with the General Assembly to lengthen the lifetime of products. By doing so, the number of transactions conducted by the BMV would decrease, while revenues would remain consistent – this would result in a net gain in income due to

¹ For purposes of this audit, a full-time equivalent was identified using a 2,080 hour work year.

the decrease in expenditures related to individual transactions. During the course of the audit, legislation was passed creating an eight-year driver's license for most vehicle types.

Recommendation 2.3: ODPS should work with the General Assembly to ensure the number of Deputy Registrar offices within each county is appropriate. Strategically reducing Deputy Registrar locations throughout the state may result in increased operational efficiency.

Issue for Further Study 2: There are fields within the Ohio Administrative Knowledge System (OAKS)² that are intended for enhanced coding of revenue data. We found that ODPS does not utilize some of these fields and instead uses Department specific systems for coding this information. Standard coding and formatting of revenue data is an important aspect of ensuring the transparency of how public funds are being utilized. Further analysis should be conducted to determine the optimal level of data collection within OAKS and to ensure effective accounting processes throughout all state agencies.

Information Technology

Recommendation 3.1: ODPS should follow its IT Project Governance procedures. The ODPS IT project governance process was created to enhance the strategic prioritization of projects. Following procedures and updating them to include budget estimation guidelines will help ODPS to make more informed decisions regarding current and future projects, and could lead to cost savings. Additionally, it may help the Department streamline its high number of ongoing projects.

Recommendation 3.2: The Department should work to transition longer-tenured consultants into regular employee positions. This will prevent the loss of institutional knowledge and reduce costs related to consultant fees. By doing so, the Department could save up to **\$1.1 million** in the first year of implementation.

Recommendation 3.3: ODPS should allow the use of flexible schedules by IT staff in order to reduce overtime expenditures. Because some scheduled work occurs outside of regular business hours, employees historically were paid overtime wages. By implementing flexible scheduling, the Department would save approximately **\$200,000** annually in reduced overtime expense. During the course of the audit, the Department began to implement this policy.

Recommendation 3.4: The Department should deploy computers that are currently in inventory and replace those units that are five years or older. By doing so, ODPS can increase employee efficiency and minimize employee downtime attributable to old technology. Currently, the lost productivity is approximately **\$2.9 million** in annual wages. Once the newer technology is deployed, the Department should institute a lifecycle replacement plan for IT inventory in order to prevent future productivity issues and decrease waste.

² OAKS is Ohio's enterprise resource planning (ERP) system which provides central administrative business services such as financial management, human capital management, and customer relationship management.

Recommendation 3.5: ODPS should implement audit and inventory procedures for software products to ensure it has the most up to date information on which software products are currently in use and for what purpose. In order to accurately track this information and make informed decisions related to software, ODPS should also track the usage of software products to determine which are truly necessary. Finally, costs pertaining to each software product should be tracked, as well as licensing and renewal periods.

Fleet Management

Recommendation 4.1: The Department should ensure that all expenses, including car washes, are captured in FleetOhio. ODPS should also enforce reconciliation policies and procedures and improve Voyager/FleetOhio reconciliation practices to rectify erroneous work order entries by using the ODPS Vehicle Job Report, which breaks down maintenance activities.

Recommendation 4.2: ODPS should right-size and consolidate pool fleet vehicles and also implement usage of the DAS Reservation Portal, or a similar system, for tracking daily utilization of pool fleet vehicles. Optimizing the number of pool vehicles would result in annual savings of **\$30,000** and generate **\$88,000** in one time revenue related to the salvage of excess vehicles.

Recommendation 4.3: Within OSHP, the existing policy of limiting the number of vehicles available to two vehicles for every three post troopers should be enforced. Eliminating vehicles in excess of this policy could result in annual savings of more than **\$730,000**.

Recommendation 4.4: ODPS should use a break-even calculation that takes into account the full costs associated with maintaining vehicles when determining the value of take-home vehicles among non-police staff. The Department should then right-size the existing fleet and eliminate vehicles where the cost of personal mileage reimbursement would be more efficient. Based on the current reimbursement rate of \$0.45 a mile, ODPS could save **\$18,000** annually.

Recommendation 4.5: ODPS should develop and implement fleet cycling policies in order to ensure the most efficient use of fleet. Maintaining vehicles beyond their useful life results in increased costs of ownership. Switching to an optimized fleet cycling process could save the Department between **\$431,000 and \$1.1 million** annually.

Issue for Further Study 3: ODPS should review the use of take-home vehicles by uniformed State Troopers. In order to complete this review, the Department should consider enhancing the collection of dispatch data to include the location of the first and last stop of the day for each uniformed officer with a take-home vehicle, as well as how frequently the officers respond to incidents outside of their shift. This data, once compiled, can be used to weigh the public safety benefit versus the cost of the policy to determine if it has a programmatic benefit for OSHP and Ohioans.