



AUDIT REPORT

ASSESSING THE EFFECTIVENESS OF THE KANSAS MOTOR CARRIER INSPECTION SYSTEM

A Report to the Legislative Post Audit Committee

LEGISLATIVE DIVISION OF POST AUDIT

State of Kansas

Topeka

Audit Report No. 78-PA-5

March 1978

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Through its audit work, the Division provides the Legislature with information for evaluating the work of State agencies. This information helps the Legislature decide what should be done to bring high-quality services to Kansans in the most effective and economical manner.

Legislative Post Audit performs its work in the following ways:

1. The Division reviews the financial affairs and operations of each State agency. By law, an audit of each agency must be conducted at least once every two years. During these audits, Legislative Post Audit conducts such examinations and tests as are deemed necessary to determine whether receipts have been accounted for and deposited, whether State funds have been spent for the purposes the Legislature authorized, and whether the requirements of law have been met in such areas as accounting systems, records, and agency rules and regulations. The Division also reviews other aspects of an agency's operations to determine whether the State's laws, policies, and programs are being carried out effectively, efficiently, and economically.
2. At the direction of the Legislative Post Audit Committee, the Division reviews and assesses particular State programs. These reviews address such matters as how effectively and efficiently a program is meeting its goal.

The Legislative Post Audit Act directs the Division to conduct its audit work "according to accepted auditing standards." As its professional guidelines, the Division uses the publication, *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, issued in 1972 by the Comptroller General of the United States in consultation with state and local finance officials and such related professional organizations as the American Institute of Certified Public Accountants.

Legislative Post Audit presents its findings in two kinds of reports—agency audit reports and program audit reports. The reports often contain recommendations that range from relatively small adjustments in agency operations to full-scale revampings of major programs. These recommendations are referred to the Legislative Post Audit Committee for consideration. Through the independence given to the Division by the Committee and by the provisions of law, and through the independent and rigorous nature of its audit and review procedures, Legislative Post Audit strives to produce findings and recommendations that are impartial, objective, and useful to the Legislature and the people of Kansas.

LEGISLATIVE DIVISION OF POST AUDIT

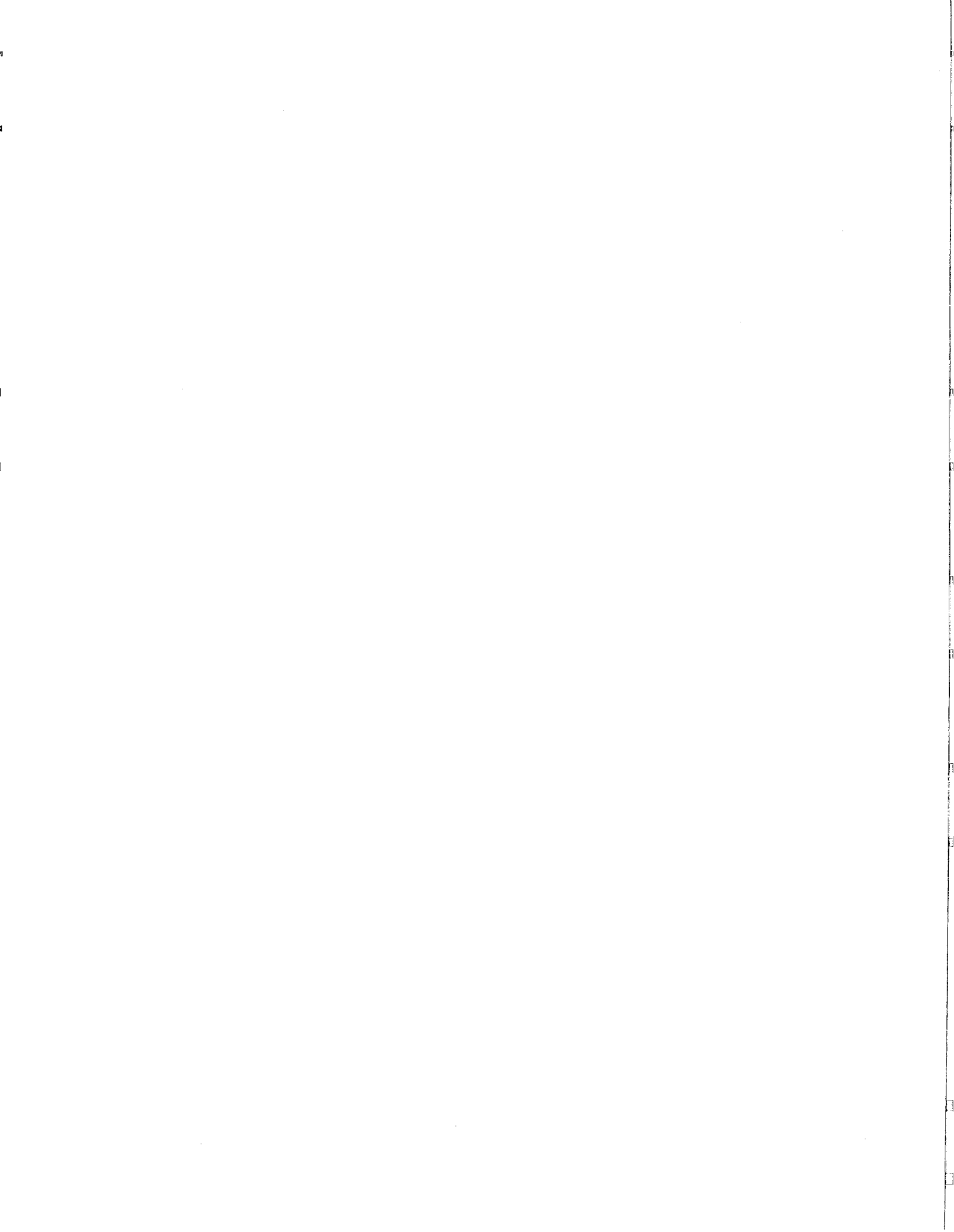
Richard E. Brown, Legislative Post Auditor
Douglas J. Vogel, Deputy Legislative Post Auditor
Meredith C. Williams, Assistant Legislative Post Auditor

Suite 301, Mills Building
Topeka, Kansas 66612
(913) 296-3792

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March 29, 1978

Legislative Division of Post Audit
State of Kansas
Topeka



FOREWORD

At the direction of the Legislative Post Audit Committee, the Legislative Division of Post Audit conducted an audit of the State's Motor Carrier Inspection System. The Committee was concerned that attempts to create a unified inspection system had led to conditions that produced serious declines in the sale of permits to motor carriers. The Committee directed that the audit include a review of the progress in establishing the system and an analysis of the decline in permit sales and the effect of that decline on State revenue.

Because the inspection system cannot be fully established until at least July 1, 1978, efforts of the Department of Revenue in establishing it cannot be completely assessed for some time. The auditors did, however, identify several areas that perhaps need legislative review. One item of legislative concern with the new system has been that truck drivers who enter the State are confused about the need to stop at inspection stations. The auditors found that although the law no longer requires truck drivers with proper permits to stop, road signs still indicate that all trucks must stop. Interviews with truck drivers showed that most still thought all trucks were required to stop.

The audit found that declines in permit sales had cut quite sharply into anticipated revenues. If permit sales during the last six months of 1977 had been at the same level as sales during the same period a year ago, receipts for the period would have been approximately \$1.9 million rather than the \$1.6 million actually collected. The auditors found, however, that the largest single reason for the decline may be that motor carriers are purchasing partial (prorated) registrations instead of temporary operating permits. These prorated registrations, which are less expensive than repeated temporary permits, are not counted as revenue from permit sales. The lack of time and readily accessible information kept Legislative Post Audit from being able to determine how much the switch to prorated registrations had reduced the sale of temporary permits.

Another item of legislative concern has been that trucks are bypassing inspection stations and not obtaining the necessary permits. In conjunction with the Highway Patrol and the Department of Revenue, Legislative Post Audit stopped 3,200 trucks on Kansas highways during three days in February. Of the trucks stopped, 7.8 percent lacked one or more of the necessary permits. On an annual basis,

this means that the State may be losing as much as \$3.1 million in revenue because trucks are operating illegally within the State. However, no figures are available to indicate whether this percentage has increased or decreased, and it is impossible to say whether the number of trucks operating illegally has changed since the transition to the new system began. The finding does point out, however, that additional time and effort spent developing more effective ways to discourage trucks from operating without permits can produce considerable revenue for the State as well as ensure that trucks are operating safely and within restrictions on size and weight.

This audit required the efforts of a rather large number of staff members. Jeffrey Brewer, audit manager, was responsible for overall coordination of the audit work. He was assisted by Thomas Griswold, audit supervisor, and by audit team members Richard Bardoulas, Robert Clawson, John Kiefhaber, and James Scudamore. Acknowledgement should also be given to other staff members who participated in the inspections and interviews on Kansas highways.


RICHARD E. BROWN
Legislative Post Auditor

Summary of Matters for Legislative Attention

Audit Findings and Conclusions

The 1977 Legislature consolidated the State's ports of entry and weight stations into a Motor Carrier Inspection System. Control of the system, formerly divided between two agencies, was given to the Department of Revenue. The new law gives the Department authority to restructure the system, close unnecessary ports of entry, and establish a network of permit-granting locations in truck stops, offices of trucking companies, and other locations.

Since July 1, 1977, when the first aspects of the system were authorized, the number of trucks inspected at ports of entry has decreased 42 percent, the number of permits sold has decreased by 10 percent, and the number of trucks cited for violations of laws and regulations has decreased by 15 percent. The declines in permit sales alone have reduced potential revenue at inspection stations by approximately \$300,000 during the last six months of 1977. Concerned about these declines, the Legislative Post Audit Committee authorized a program audit of the Motor Carrier Inspection System. At the Committee's direction the audit was to be completed in one month, a much shorter time than normal for program audits. The audit concerned itself with answering the following two questions:

1. What progress has been made in establishing the Motor Carrier Inspection System enacted by the 1977 Legislature?
2. Why has there been a substantial decline in the number of permits issued to motor carriers, and what was the impact of that decline on revenues?

Progress in Establishing the Motor Carrier Inspection System

The new inspection system includes the following changes:

1. Transfer of the operating authority for weight stations the Department of Transportation to the Department of Revenue.

2. Consolidation of the permit-issuing functions of the ports of entry and the regulating activities of the weight stations into motor carrier inspection stations.
3. Authorization for the Department to reduce the number of ports of entry and weight stations.
4. Establishment of a unit within the Department for centralized issuing of the various permits.
5. Establishment of a network of truck stops, motor carrier offices, and other locations equipped with telecommunications equipment to relay requests for permits to this central unit.
6. Provision that only trucks without operating authority need to stop at inspection stations as they enter the State. Previously, all trucks had to stop. (Under the new system all trucks must still stop at spot checks for permit, weight, and safety violations.)
7. Provision that motor carriers who are cited for not obtaining necessary permits must post an appearance bond of \$250. The previous bond was \$20.

Not all of these changes have as yet been made. One of them, establishment of a telecommunications network for issuing permits, is not authorized under the statute until July 1, 1978. As a result, the Department's efforts in changing the system cannot be fully assessed for some time. Legislative Post Audit found that during this period of transition, progress in three of the areas listed above may merit legislative attention and additional effort by the Department. These areas are as follows:

1. Clarifying requirements for stopping at inspection stations. Despite the new provision that only trucks without necessary permits need to stop at inspection stations when they enter the State, signs still stand along highways entering Kansas announcing that all trucks and buses must stop. There is apparent confusion among truck drivers as to who must stop, and when. Legislative Post Audit conducted a survey of truck drivers as part of this audit and found that 89 percent thought all trucks still had to stop.
2. Selling and issuing permits through the central office. Although the system for issuing permits has been established for eight months, only three such permits have been issued. Truck drivers apparently find stopping at inspection stations to be less expensive than calling the central office,

and in its survey Legislative Post Audit found that many drivers were unaware that permits could be obtained through the central office. Centralized issuing of permits is largely tied together with the State's participation in the network of truck stops and other locations with the necessary telecommunications equipment to request and receive permits from the central office. By law, the State cannot participate in such a system until July 1, 1978.

3. Closing inspection stations. Although the Department of Revenue has authority to close stations, only one has been closed. The Department plans to close 23 more in locations where permits can be obtained through the telecommunications network, and it has delayed closing these stations until the network can be established.

Decline in Permits Issued

Although income from permit sales continued to rise because fees were raised, declines in the number of permits sold brought less of an increase than expected. If the same number of permits had been sold in the last six months of 1977 as were sold in the last six months of 1976, revenue during the period would have been an estimated \$1.9 million rather than the \$1.6 million actually collected. Legislative Post Audit's analysis showed that the number of permits sold did not decline because truck traffic in the State decreased or because some inspection stations were open fewer hours. The largest single decline in permit sales occurred in the sale of 72-hour registration permits. Approximately \$200,000 of the decline in permit sales occurred within this one category. Legislative Post Audit found that many motor carriers are now purchasing prorated registrations instead of 72-hour permits. Under a prorated registration, a motor carrier pays a registration charge on the basis of the percentage of a truck's total mileage driven on Kansas highways. If 10 percent of a truck's mileage is in Kansas, for example, the motor carrier pays 10 percent of what a full registration would cost. A prorated registration costs less than repeated 72-hour permits.

Because prorated registration fees are not collected by the Motor Vehicle Registration Bureau, they do not appear as revenue from permit sales. It would appear that part of the \$200,000 decrease in revenue from 72-hour permits is being made up through increased purchases of prorated registrations, but Legislative Post Audit was unable to develop estimates of the net effect on State revenues within the time constraints of this audit.

The audit also determined how much the State was losing in permit revenue because trucks bypass inspection stations illegally when they enter the State. Of approximately 3,200 trucks stopped and in-

spected in a special survey for this audit, 7.8 percent did not have one or more of the necessary permits. The survey findings show that the State may be losing as much as \$3.1 million per year because motor carriers are not purchasing necessary permits. In 1977, no more than 2.7 percent of those trucks operating without permits were cited. Because information from previous years was not available, however, Legislative Post Audit could not determine whether the number of trucks operating illegally had increased after changes were made in the ports of entry system.

In a related area, the audit examined how effectively laws relating to motor carriers were enforced. It found that from fiscal year 1974 through fiscal year 1978, revenue from fines levied on trucks cited by motor carrier inspection units will decline by approximately \$150,000, a drop of 62 percent. The decline occurred mainly because the number of mobile inspection units dropped from seven in fiscal year 1974 to four in fiscal year 1978. During this period, employees operating these units were not replaced when they retired or resigned. The audit also found that Highway Patrol officers cited trucks they stopped more than ten times as often for permit violations than did mobile unit operators. In the area of safety violations, mobile unit operators seldom issued citations, while Highway Patrol Officers cited more than 15 percent of the trucks they stopped. Training may play a part in the difference in performance. Highway Patrol officers receive formal classroom training; inspection personnel do not. Legislative Post Audit's survey of Highway Patrol officers and inspection personnel showed that more than 40 percent of the inspection personnel thought their on-the-job training was inadequate. By contrast, no Highway Patrol officers thought their training was inadequate.

Audit Recommendations and Agency Responses

The draft audit report was sent to the Department of Revenue and the Highway Patrol. This procedure is followed in the preparation of all audit reports and offers an opportunity for the agencies to point out any errors of fact, provide additional information pertaining to the audit's findings, and indicate their agreement or disagreement with the recommendations. The full text of the agencies' responses, together with Legislative Post Audit's comments, will be found in Appendix B. The following is a listing of the audit's recommendations, a summary of the agencies' comments about those recommendations, and Legislative Post Audit's replies.

Clarifying Requirements for Stopping at Ports of Entry

The Department of Revenue, in cooperation with the Department of Transportation, should remove existing road signs stating that all motor carriers must stop at permanent inspection stations and install road signs stating that all commercial motor operators must have State permits while operating in Kansas, that those not complying are subject to a \$500 fine, and that those with proper permits need not stop at permanent inspection stations.

Agency response. The Department of Revenue replied, "While the present road signs have not been changed, to replace them with new ones makes little sense because the locations of permanent Motor Carrier Inspection Stations will not be known until after legislative approval is given to the Department's recent recommendations." Legislative Post Audit would note that the recommendation is not dependent on the locations of permanent motor carrier inspection stations because it only calls for the Department to post signs at the State borders to inform truck drivers of State laws and the penalty for breaking them.

Improving Motor Carrier Inspection Activity

The Department of Revenue, with the assistance of the Highway Patrol, should take immediate steps to improve its enforcement of motor carrier laws. By July 1, 1978, the Department of Revenue should improve its present enforcement system by developing the following:

1. A plan for randomly stopping motor carriers operating throughout the State.
2. A plan for improving the ability of motor carrier inspectors to identify and cite truck drivers who bypass inspection stations without having the proper permits or who are in violation of safety, weight, size, or animal health regulations.
3. A shared plan for providing formal classroom training on Kansas motor carrier laws and regulations to all new Highway Patrol officers and motor carrier inspectors.

4. A shared plan for providing annual workshops and in-service training on Kansas motor carrier laws and regulations for Highway Patrol officers and motor carrier inspectors.

A progress report should be submitted to the Legislative Post Audit Committee and other relevant legislative committees by November 1, 1978.

Agency response. The Department of Revenue did not respond to the recommendation that it develop a plan for randomly stopping motor carriers operating in the State. With regard to the three recommendations on training, the Department interpreted a "shared plan" to mean joint training involving both the Highway Patrol and the Department of Revenue. The Department's response pointed out that personnel in the two agencies would not necessarily need the same amount of training. Legislative Post Audit did not intend a "shared plan" to mean joint training, but rather a system by which motor carriers could take better advantage of the expertise available through the Highway Patrol's training program. Joint training may or may not be included in such a program.

The Highway Patrol indicated that it was "more than willing to cooperate" in a shared plan for training.

Matters Remaining for Legislative Consideration

All of the audit's recommendations remain at issue. The Department of Revenue disagrees with the recommendation that road signs be taken down and replaced at the present time, and it has not indicated its agreement or disagreement with the recommendation that it develop a plan for randomly stopping motor carriers operating in the State. Although the Department appears to agree that additional training for motor carrier inspectors is desirable, it has not yet indicated its intent with regard to developing a shared plan for training with the Highway Patrol. The Highway Patrol has indicated its willingness to cooperate in such a training plan.

If the Legislative Post Audit Committee decides that any or all of these recommendations should be put into effect, it will have to determine further the Department's opinions and intentions regarding them.

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CHAPTER I

INTRODUCTION

For the past 30 years, Kansas has regulated commercial motor carrier traffic within the State. It enforces laws which control the size and weight of vehicles and the type of cargo which can be transported on State highways. In addition, it also has regulations concerning the mechanical and operating safety of motor carriers. Before a commercial motor carrier can operate within the State, the carrier must have documented evidence of compliance with Kansas laws and regulations. This compliance is documented through several types of operating permits. There are two purposes for the State's requirement that motor carriers purchase permits:

1. To protect citizens from unsafe vehicles and dangerous cargoes.
2. To generate revenues from the sale of permits in order to repair and maintain highways used by commercial motor carriers.

Since July 1, 1977, the Department of Revenue has been attempting to implement a new inspection system. During this time, there has been a 42 percent decline in the number of trucks inspected at ports of entry. Also, the number of permits sold at ports declined by 10 percent, and the number of trucks cited for violations declined by 15 percent. These declines in turn affected revenue collected during the last six months of 1977 by at least \$300,000.

Because of these declines, the Legislative Post Audit Committee authorized a program audit of the Kansas Motor Carrier Inspection System. The audit was conducted under the Legislative Post Audit Act, which provides for evaluations of a program's effectiveness and efficiency as the basis for recommendations to improve the program.

Audit Objectives and Methods

The audit addresses two main questions:

1. What progress has been made in establishing the Motor

Carrier Inspection System enacted by the 1977 Legislature?

2. Why has there been a substantial decline in the number of permits issued to motor carriers, and what was the impact of that decline on revenues?

To answer these questions, Legislative Post Audit collected and analyzed four years of data on the number of motor carrier permits issued, the number of trucks inspected, the number of citations issued, the amount of revenues earned through the sale of permits, the costs of operating the system, and the hours of operation of inspection stations. Also, with the cooperation of the Department of Revenue and the Highway Patrol, Legislative Post Audit used the services of the mobile motor carrier inspection stations to conduct a statewide survey to determine the number of trucks entering Kansas without proper operating authority. The mobile units were positioned so that trucks passing them would have previously passed a port of entry. During a three-day period in February 1978, 3,214 trucks were stopped and checked for proper permits. In addition, Legislative Post Audit interviewed 20 members of the Kansas Highway Patrol, 73 Department of Revenue motor carrier inspection personnel, and 92 truck drivers. These interviews were conducted at 40 of the State's 59 inspection stations. In all, nine auditors were involved in checking trucks and conducting interviews.

The Legislative Post Audit Committee requested that this study be completed in approximately one month. As a result, Legislative Post Audit was unable to examine certain aspects of the inspection system in depth. Inspection efforts for vehicle safety, for example, could not be fully assessed in the time available; instead, efforts were concentrated in the areas of permit sales and revenues. In its three-day survey of trucks entering Kansas, auditors found few trucks carrying livestock, and as a result, conclusions could not be drawn about enforcement of animal health regulations.

CHAPTER II

DEVELOPMENT OF THE MOTOR CARRIER INSPECTION PROGRAM

One purpose of this audit report is to assess the progress that has been made in developing the Motor Carrier Inspection System enacted by the 1977 Legislature. This chapter describes the progress made and examines the problems that remain to be worked out.

History of the Inspection Program

Since 1933, Kansas has operated a system of ports of entry for issuing various kinds of operating permits for motor carriers. Although the system was established originally to ensure that motor carriers purchased permits as proof they had paid tax on the fuel used in transporting cargo across the State, several other kinds of permits are now issued as well. The permits now issued are as follows:

1. Registration to operate on Kansas highways. If commercial trucks and trailers are not registered with the Division of Vehicles, they must obtain temporary permits to operate in the State. Permits are available for 72 hours or 30 days; the first costs \$20.00, and the second, from \$20.00 to \$184.00, depending on the type of truck.
2. Approval to conduct business in Kansas. All commercial motor carriers operating within the State must be approved to operate as businesses. Trucks that do not have the normal approval granted by the Kansas Corporation Commission must have a special permit, which costs \$5.00. Trucks that have approval but that do not have proof of it when they enter the State must have an emergency permit, which costs \$2.50. To qualify for either permit, motor carriers must have proof that their insurance coverage meets State requirements.
3. Payment of motor fuel tax. Commercial motor carriers driving through Kansas are required to pay a motor

fuel tax that is based on the amount of fuel consumed in the State. Motor carriers not making quarterly payments with the Division of Taxation must purchase a temporary permit costing \$5.00 that takes the place of paying the tax.

4. Approval of overweight or oversize loads. Permits costing \$5.00 must be obtained for loads classed as overweight or oversize by the Department of Transportation.
5. Approval of livestock loads. Commercial truck or tractor truck carriers hauling livestock are required to have a health certificate from the Animal Health Department and a bill of sale as proof of ownership. No special permit is required, however.

Reorganization of the Inspection Program

For more than 10 years, the State's ports of entry system has been studied by both the Legislature and the executive branch. Studies were conducted by both the Legislature and the Department of Revenue as early as 1966, and in 1975 the Division of the Budget again studied the system's effectiveness. All of these studies concluded that the State should make improvements in its inspection program and its enforcement of the laws. As a result of the 1975 report, the 1977 Legislature abolished the existing ports of entry system and established a "Motor Carrier Inspection System." This new system included the following changes:

1. Transfer of the operating authority for weight stations from the Department of Transportation to the Department of Revenue.
2. Consolidation of the permit-issuing functions of the ports of entry and the regulating activities of the weight stations into motor carrier inspection stations.
3. Authorization for the Department to reduce the number of ports of entry and weight stations.
4. Establishment of a unit within the Department for centralized issuing of the various permits.
5. Establishment of a network of truck stops, motor carrier offices, and other locations equipped with

the necessary telecommunications equipment to relay requests for permits to this central unit.

6. Provision that only trucks without operating authority need to stop at inspection stations. Under the old system, all trucks had to stop. All trucks must still stop, however, at spot checks set up randomly by the Department of Revenue and the Highway Patrol to check for violations of permit, weight, and safety regulations.
7. Provision that motor carriers cited for not obtaining necessary permits must post an appearance bond of \$250. The previous bond was \$20.

Consolidation of authority within the Department of Revenue occurred on July 1, 1977. Under the law, however, the telecommunications network cannot be established until July 1, 1978. Partly as a result, the system in effect as of March 1978 has not changed significantly. On July 1, 1977, there were 49 ports of entry, 11 weight stations, and four mobile weight units. As of March 15, 1978, there were 59 inspection stations (48 ports and 11 weight stations), and four mobile weight units. Figure II-1 on page 6 shows the location of the ports and weight stations as of March 15, 1978.

The Department of Revenue plans to close 23 of the old ports of entry after July 1, 1978, when it receives authority to contract with those who provide telecommunications services. The Department also plans to increase the number of operational mobile inspection stations from four to 16. The closed ports would be primarily in areas served through the telecommunications network, and the additional mobile units will be used primarily in areas in which ports were closed. Figure II-1 also shows the Department's planned system as of July 1978.

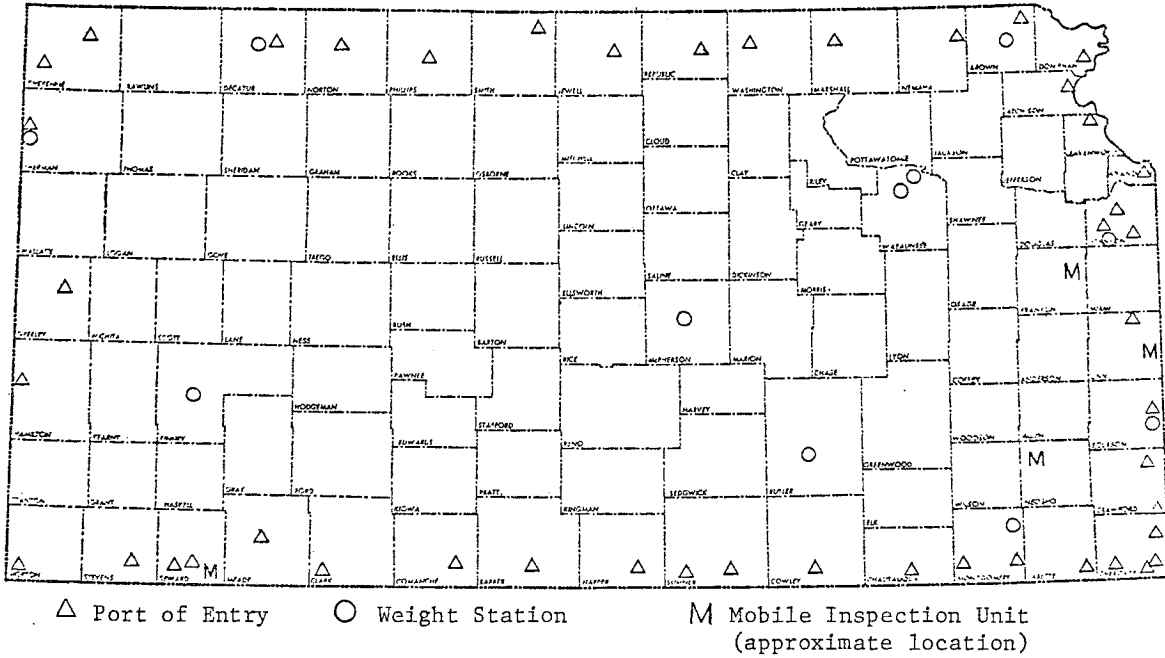
Current Organization, Staffing, and Funding for the Inspection System

The inspection stations and the central office are operated by a Motor Carrier Inspection Bureau, which is part of the Division of Vehicles. The structure of the Bureau is shown in Figure II-2 on page 7.

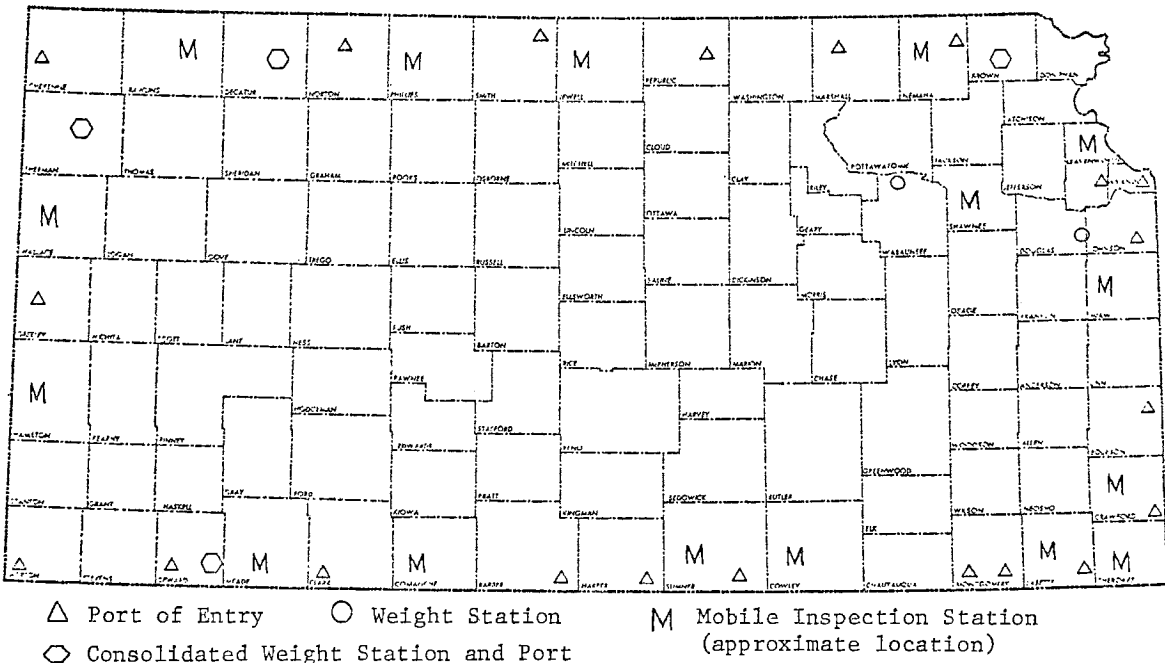
The Bureau is authorized 267 full-time positions. Because of uncertainty about the effect of inspection stations on the kinds of employees needed, positions that have become vacant through resignation or retirement have been filled either by hiring part-

Figure II-1
Distribution of Motor Carrier Inspection Stations

Stations as of March 1978

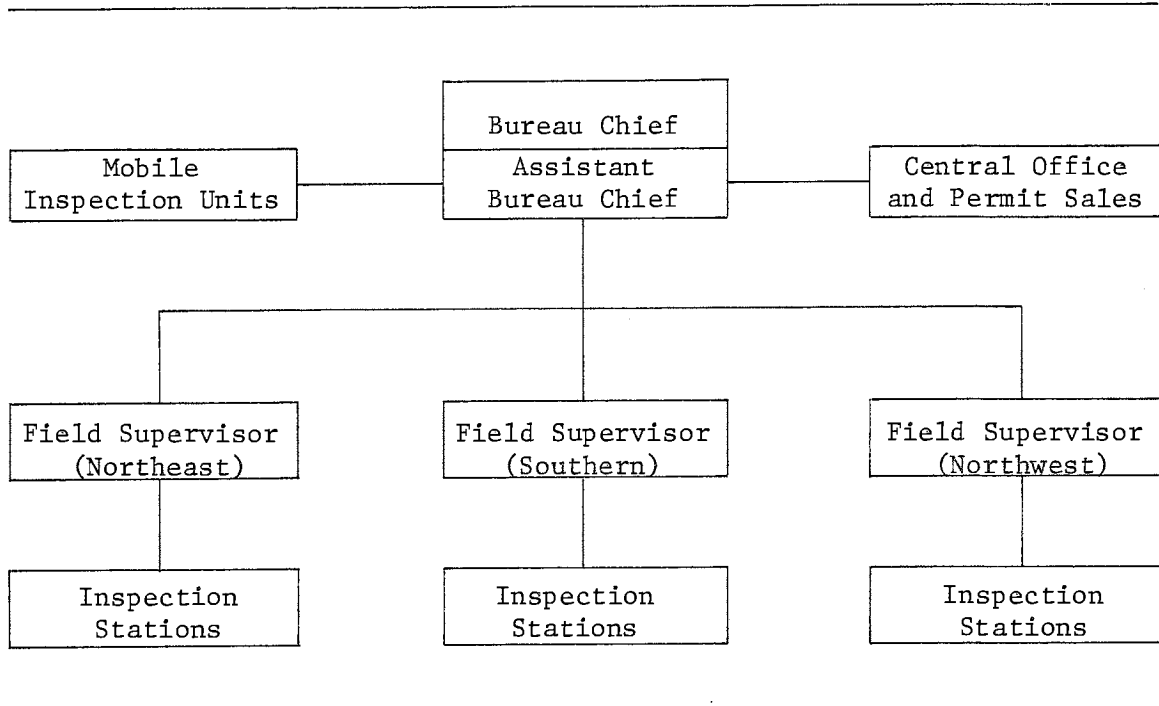


Planned for July 1978



Prepared by Legislative Post Audit from information supplied by
the Department of Revenue.

Figure II-2
Motor Carrier Inspection Bureau
March 1978



Developed by Legislative Post Audit from information supplied by the Department of Revenue.

time employees or by increasing the number of hours worked by part-time employees already on the job. As of February 17, 1978, as Table II-1 shows, 72.3 percent of the full-time positions and 90.1 percent of the part-time positions were filled. Before February 1978, employees were hired under narrowly defined job titles relating specifically to selling permits at ports of entry or inspecting trucks by weight stations and mobile units. Under the new system of inspection stations, these employees are trained to perform only part of the responsibilities they will have. New employees are now expected to learn State motor carrier laws and regulations governing both the operating authority of trucks in Kansas and standards for safety and weight. The Department has begun a program to cross-train those employees hired before February 1978 as well.

The Motor Carrier Inspection System receives 60 percent of its funding from the State Highway Fund, 30 percent from the Motor Carrier Fund of the Kansas Corporation Commission, and 10 percent from the State general fund. Precise expenditures for the system's

Table II-1
 Motor Carrier Inspection System
 Employee Positions Authorized and Filled
 (For the Payroll Period Ending February 17, 1978)

Work Area	Position Type			
	Permanent		Part-Time	
	Authorized	Filled	Authorized	Filled
Central Office:				
Bureau Chief	1	0	0	0
Assistant Chief	1	0	0	0
Office Staff	4	3	0	0
Field Supervision:				
Field Supervisors & Motor Carrier In- spectors III	18	3	0	0
Clerical Staff	5	0	0	0
Field Activities:				
Motor Carrier Inspectors I & II	<u>238</u>	<u>187</u>	<u>81</u>	<u>73</u>
Total	<u>267</u>	<u>193</u>	<u>81</u>	<u>73</u>
Percent of Positions				
Currently Filled	72.3%		90.1%	

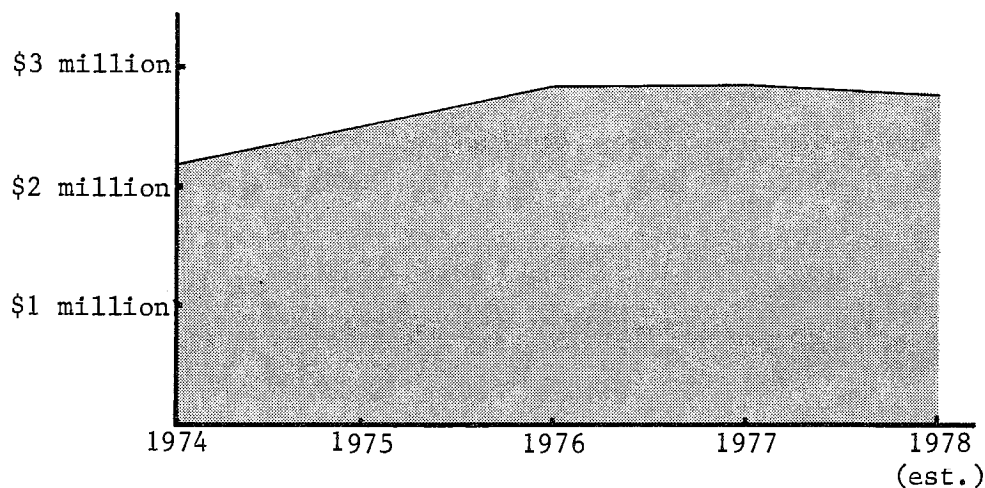
Developed by Legislative Post Audit from Department of Revenue data, February 17, 1978.

activities in previous years are difficult to determine. Legislative Post Audit's work in this area, presented in Figure II-3, shows that expenditures were approximately \$2.8 million in fiscal years 1976-1977. Legislative Post Audit estimates that expenditures will be \$2.7 million in fiscal year 1978. Between fiscal years 1974-1978, approximately \$12.9 million will have been spent for operation of the system.

Matters Requiring Attention Within the Reorganization of the System

As this chapter has already shown, the inspection system is still in transition between the old system and the system authorized by the 1977 Legislature. As a result, the Department of Revenue's efforts in changing the system cannot be fully assessed for some time. In its review of progress to date, however, Legislative Post Audit was able to identify several areas that may merit legislative attention and

Figure II-3
Expenditures for the
Motor Carrier Inspection System
Fiscal Years 1974-1978



Developed by Legislative Post Audit from information supplied by the Department of Revenue and the Department of Transportation.

additional effort by the Department. Each of these areas is discussed in turn below.

Clarifying Requirements for Stopping at Inspection Stations

The new law provided that as of July 1, 1977, motor carriers need not stop at inspection stations if they have the necessary permits and authority to operate in the State. Under the old law, all motor carriers were to stop for clearance. Despite the change, however, signs still stand along highways entering Kansas announcing that all trucks and buses must stop. These signs have created confusion about the need to stop. During its interviews with truck drivers, auditors found that 89 percent thought all trucks still had to stop at the inspection stations.

Selling and Issuing Permits Through the Central Office

The new law authorizes the creation of a system by which motor carriers can telephone the central office to obtain the necessary permits to operate in the State. This central office can now issue

permits eight hours a day, five days a week, but in the past eight months only three permits have been issued. Truck drivers apparently find stopping at ports to be less expensive than calling the central office, and in its survey, Legislative Post Audit found that many drivers were unaware that permits could be obtained at the central office.

Closing Inspection Stations

The new law gave the Department of Revenue authority to close ports of entry and weight stations after January 1, 1978, in order to consolidate operations at fewer locations. To date, little consolidation has taken place. The Department's plans for consolidation are based in part on the State's participation in a network of 134 truck stops, motor carrier offices, and other locations in Kansas and other states to allow motor carriers to obtain necessary permits. These locations have telecommunications equipment that can link them to the central office. The new law does not authorize the Department to contract with private firms for the sale of permits or for telecommunications services until July 1, 1978. The Department plans to close 23 inspection stations in locations where telecommunications equipment will be available. As a result, these stations will not be closed until the network is established.

Conclusions

1. The State's Motor Carrier Inspection System called for by the 1977 Legislature included the following provisions:
 - a. Eliminating the requirement that motor carriers with proper authorization stop for clearance at inspection stations.
 - b. Establishing a centralized system for issuing permits.
 - c. Consolidating the functions of ports of entry and weight stations into motor carrier inspection stations.
2. The Department of Revenue has made the following progress in establishing these changes:
 - a. Although motor carriers with proper authorization are not required to stop for clearance at inspect-

ion stations, signs indicating that all trucks must stop are still posted. Legislative Post Audit's survey of truck drivers showed that 89 percent thought all trucks still had to stop.

- b. The centralized system for issuing permits has been established, but it is not being used. The system is intended to operate in conjunction with a network of truck stops, motor carrier offices, and other locations at which permits can be obtained, but the new law does not authorize participation in this network of locations until July 1, 1978.
- c. The Department intends to close 23 ports of entry when its network of locations for issuing permits is operating.

Recommendation

The Department of Revenue, in cooperation with the Department of Transportation, should remove existing road signs stating that all motor carriers must stop at permanent inspection stations and install road signs stating that all commercial motor operators must have State permits while operating in Kansas, that those not complying are subject to a \$500 fine, and that those with proper permits need not stop at permanent inspection stations.

CHAPTER III

EFFECTIVENESS OF THE MOTOR CARRIER INSPECTION SYSTEM

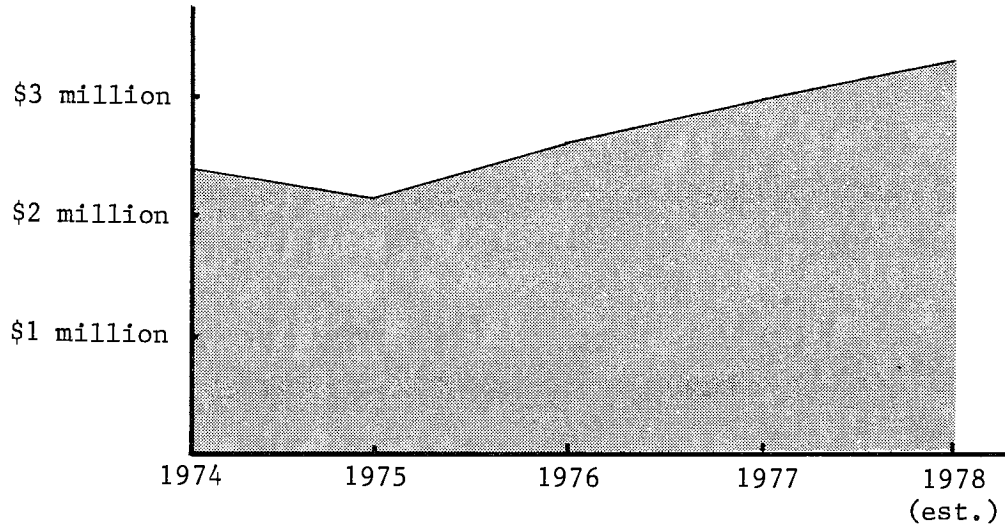
While Chapter II of the audit report examined the progress on the new Motor Carrier Inspection System, this chapter deals more extensively with the effectiveness of the State's current efforts to ensure that motor carriers are complying with requirements of operating authority, vehicle registration, safety, and payment of taxes. Specifically, it examines the reasons for substantial declines in the number of permits issued to motor carriers. To review the kinds of permits briefly: the State requires each commercial motor carrier to purchase three basic types of permits--operating authority, vehicle registration, and motor fuel. The Kansas Corporation Commission sells annual operating permits to firms that apply; other firms are required to purchase temporary operating authority, which they obtain through the Motor Carrier Inspection Bureau. The Bureau also sells motor fuel tax permits and temporary vehicle registration permits.

Revenues from Sale of Permits

From fiscal year 1974 through fiscal year 1977, revenue from permits sold by the ports of entry increased by 20.2 percent. The majority of this increase was caused by substantial increases in the prices of all types of temporary permits sold by the ports. For example, on January 1, 1977, the price of a 72-hour vehicle registration permit was raised from \$10 to \$20. Figure III-1 on the next page shows the revenue received from the sale of permits. During these five fiscal years, the average rate of increase was approximately eight percent per year.

Although revenue from permits sold has increased, the number of permits issued has declined. Figure III-2 on page 15 shows the number of registration, operating authority, and motor fuel permits issued by ports of entry from fiscal years 1974 to 1978. The total number of permits has declined since fiscal year 1976. Over the entire period, the number of permits has declined by approximately four percent per year.

Figure III-1
Motor Carrier Revenues
Collected by Ports of Entry
Fiscal Years 1974-1978

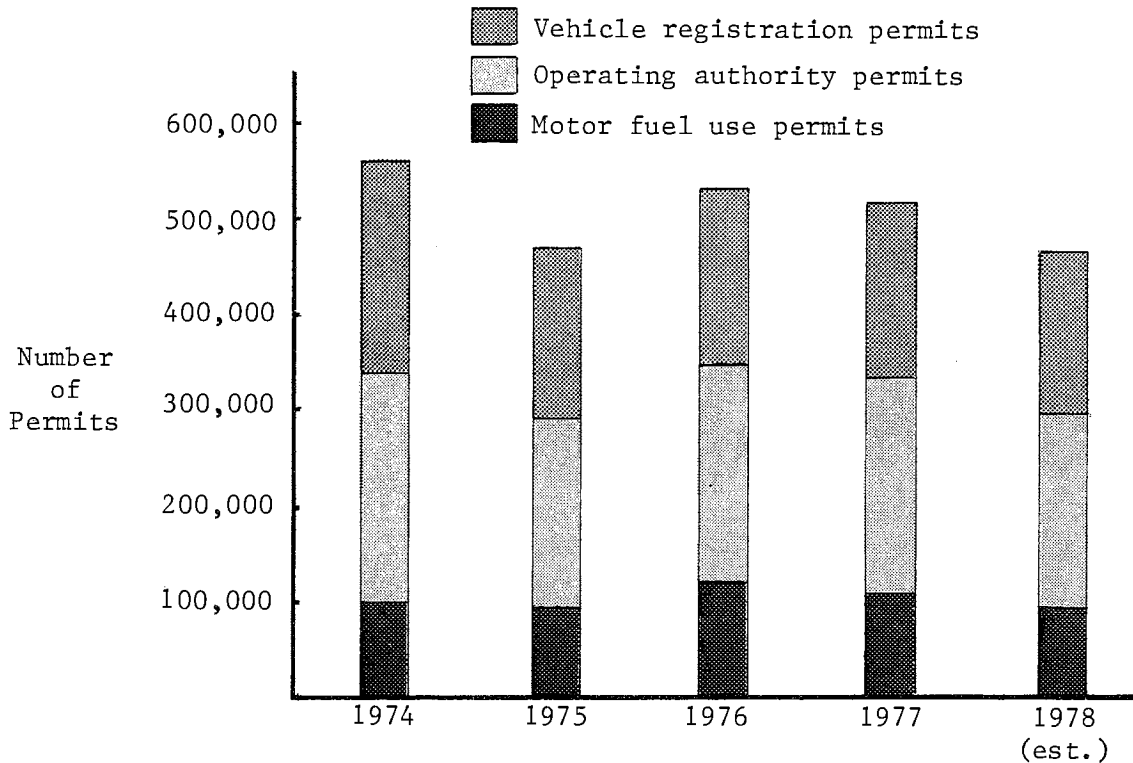


Developed by Legislative Post Audit from Kansas Department of Revenue, "Summary of Business Transactions at the Kansas Ports of Entry." Estimate for fiscal year 1978 is Legislative Post Audit's.

Legislative Post Audit compared the number of permits sold at ports of entry from July 1 to December 31, 1977, to the number sold during the same period a year earlier. This comparison showed that the number of permits sold declined by 10 percent. If the number of permits sold had remained at the earlier levels, revenue during the first six months of fiscal year 1978 would have been an estimated \$1.9 million rather than \$1.6 million actually collected--a difference of \$300,000 in potential revenue.

To determine why permit sales had dropped, Legislative Post Audit analyzed truck traffic volume, changes in the operating hours for inspection stations selling permits, and changes in the number of specific permits sold. The analysis indicated that the volume of truck traffic did not change between fiscal years 1977 and 1978. Thus, the volume of truck traffic does not account for the decrease in the sale of permits. Recent reductions in the hours of operation at certain inspection stations also did not cause the decline in permit sales. Declines in sales occurred both at stations that had decreases in operating hours and at stations that did not. Legislative Post Audit found that the decline in permit sales occurred primarily because of a decrease in the sale of 72-hour registration permits.

Figure III-2
 Number of Permits Issued
 by Ports of Entry
 Fiscal Years 1974-1978



Developed by Legislative Post Audit from Kansas Department of Revenue, "Summary of Business Transactions at the Kansas Ports of Entry." Estimate for fiscal year 1978 is Legislative Post Audit's.

Decline in 72-Hour Vehicle Registration Permits

Vehicles not registered in Kansas must be registered in the State in one of two ways--a 72-hour permit purchased from the Motor Carrier Inspection Bureau, or a prorated registration filed with the Division of Vehicles. Under this prorated registration, a truck is registered in another state, but the owner pays Kansas an annual vehicles registration fee based on the number of miles driven in the State. Compared with the first six months of fiscal year 1977, 72-hour vehicle registration permits for the same period in fiscal year 1978 dropped by 23 percent. This drop resulted in a shortfall of \$200,000 in potential revenues.

This drop in revenues apparently occurred in large part because a significant number of motor carriers previously purchasing 72-hour permits are now obtaining prorated vehicle registrations. The fees from these prorated registrations are collected by the Division of Vehicles. Consequently, the revenues are not included in the Bureau of Motor Carrier Inspection's revenues. An analysis of six months of data for fiscal year 1978 showed that during the fiscal year, an additional 36,000 trucks will purchase prorated registrations while sales of temporary 72-hour registration permits will decline by 22,000. For motor carriers frequently transporting cargo through Kansas, it is generally less expensive and more convenient to purchase annual prorated registrations than to purchase 72-hour registration permits each time a truck enters the State. For example, if 10 percent of the miles a motor carrier travels in a year are in Kansas, the motor carrier operator would pay 10 percent of what his Kansas registration fee would be. If the registration fee would have been \$1,200 per year, the motor carrier would pay \$120 for the prorated registration. On the other hand, if the motor carrier entered Kansas 50 times during the year without a prorated registration and traveled the same number of miles in Kansas, the operator would pay \$1,000 for 72-hour vehicle registration permits.

The net effect of the decline in 72-hour permits and the increase in prorated registrations could not be determined. It would appear that part of the \$200,000 in lost permit revenues is being made up through increased purchases of prorated registration, but Legislative Post Audit was unable to develop estimates of the net effect on State revenues within the time constraints of this audit.

Effect of Bypassing Inspection Stations

As part of its review, Legislative Post Audit also attempted to determine the effect on revenues of trucks that are illegally bypassing inspection stations when they enter the State. The Motor Carrier Inspection Bureau does not have statistics concerning the incidence of trucks illegally bypassing inspection stations. To develop this information, Legislative Post Audit, with the cooperation of the Bureau and the Highway Patrol, conducted a three-day survey of truck traffic on major highways throughout the State. During this period, over 3,200 trucks were stopped and inspected.

The survey showed that 249 trucks (7.8 percent) did not have one or more of the necessary permits. Over 75 percent of these operators had failed to purchase proper registration or motor fuel permits. Table III-1 shows the number of trucks found to be operating illegally in Kansas.

Table III-1
Permit Violations
(Based on 3-Day Survey)

<u>Type of Violation(a)</u>	<u>Number Identified</u>	<u>Percent of Trucks Inspected</u>
Registration Permits	93	2.9%
Fuel Permits	92	2.9
Corporation Commission Operating Authority	<u>64</u>	<u>2.0</u>
Total Violations	<u>249</u>	<u>7.8%</u>

(a) Unduplicated count--where more than one type of violation occurred, only one violation was counted.

Developed by Legislative Post Audit from data provided by the Motor Carrier Inspection Bureau and from the Kansas Highway Patrol survey, February 27 through March 1, 1978.

The survey findings show that the State may be losing as much as \$3.1 million per year in permit sales because trucks are operating illegally within the State. Legislative Post Audit compared the number of citations issued by the Highway Patrol in calendar year 1977 to total truck traffic estimated to be operating illegally. This comparison showed that no more than 2.5 percent of all trucks operating without proper permits are ever cited.

Problems in Enforcing Laws and Regulations

From fiscal year 1974 through fiscal year 1978, Legislative Post Audit estimates that fines levied on trucks cited by weight station and mobile inspection personnel for violating State laws will have decreased by 62 percent or approximately \$150,000. This decline is due primarily to the reduction in the number of mobile inspection units from seven units in fiscal year 1974 to four units in fiscal year 1978. The decline occurred because mobile unit personnel were not replaced when they retired or resigned.

The audit also found that mobile station inspectors are less effective than the Highway Patrol in citing truckers for violations of law. In 1977, mobile station inspectors cited 5.1 percent of all trucks inspected; the Highway Patrol cited 18.2 percent. In addition, over 85 percent of all Highway Patrol citations were for safety vio-

lations. Mobile station inspectors rarely issued citations for safety violations. Table III-2 compares the citation records of the Highway Patrol, mobile station inspectors, and weight station personnel. The table shows that the Highway Patrol is more effective than mobile unit personnel in citing motor carriers for permit violations.

Table III-2
Citations Issued by Enforcement Units
Calendar Year 1977

Type of Violation	Percent of Inspected Trucks Cited		
	Highway Patrol	Mobile Units(b)	Weight Stations(b)
Permit Violations	2.5%	0.2%	0.0%
Safety	15.4	0.0	0.0
Overweight	1.8	4.4	0.3
Oversize	0.3	0.5	0.0
Other	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>
Total	<u>18.2%</u> (a)	<u>5.1%</u>	<u>0.3%</u>

(a) The column does not add to the total shown because some vehicles were cited for more than one violation.

(b) Percentages for permit violations, safety, and "other" are annualized projections based on data from July 1, 1977 to December 31, 1977.

Developed by Legislative Post Audit from data supplied by the Department of Revenue, the Department of Transportation, and the Kansas Highway Patrol.

Legislative Post Audit surveyed mobile unit inspectors, weight station personnel, and Highway Patrol officers to learn why citation records varied between inspectors and enforcement officers. The results indicate that training may play a large part. The survey showed that weight station and mobile inspection unit personnel receive no formal classroom training in Kansas motor carrier laws, safety regulations, and weight standards. By contrast, Highway Patrol officers receive 40 hours of formal classroom training. All Highway Patrol officers surveyed thought their training was adequate. Inspection and weight station personnel receive 40 hours of on-the-job training and receive bulletins to update their knowledge of laws and regulations. Over 40 percent of all inspection and weight station personnel who were surveyed thought their training was inadequate.

Conclusions

1. There has been a 10 percent decline in the number of temporary permits sold during the first six months of fiscal year 1978 as compared to the same period in fiscal year 1977. The decline in permit sales resulted in a shortfall of approximately \$300,000 for the six-month period. The decline in permit sales was due primarily to a decline in the sale of 72-hour vehicle registration permits. Many motor carriers are now purchasing prorated registrations instead of 72-hour permits. Fees for these registrations are not collected by the Motor Carrier Inspection Bureau and do not appear as revenue from permit sales.
2. During a three-day survey in February 1978, 7.8 percent of all trucks surveyed were found to be in violation of State registration and permit laws. The State may be losing as much as \$3.1 million per year in permit sales because trucks are operating without obtaining proper permits. Although comparative data from prior years is not available on the percentage of motor carriers operating in violation of law, it appears that permit sales may increase if enforcement improves.
3. Mobile inspection personnel cite only 0.2 percent of all trucks inspected for permit violations; Highway Patrol officers cite 2.5 percent.
4. The Legislative Post Audit survey of Highway Patrol officers, weight station personnel and inspection personnel showed that 40 percent of all weight station and inspection personnel surveyed thought their training was inadequate. By contrast, none of the Highway Patrol officers surveyed thought their training was inadequate.

Recommendations

The Department of Revenue, with the assistance of the Highway Patrol, should take immediate steps to improve its enforcement of motor carrier laws. By July 1, 1978, the Department of Revenue should improve its present enforcement system by developing the following:

1. A plan for randomly stopping motor carriers operating throughout the State.

2. A plan for improving the ability of motor carrier inspectors to identify and cite truckers who bypass ports without having proper permits or who are in violation of safety, weight, size, or animal health regulations.
3. A shared plan for providing formal classroom training on Kansas motor carrier laws and regulations to all new Highway Patrol officers and motor carrier inspectors.
4. A shared plan for providing annual workshops and in-service training on Kansas motor carrier laws and regulations for Highway Patrol officers and motor carrier inspectors.

A progress report should be submitted to the Legislative Post Audit Committee and other relevant legislative committees by November 1, 1978.

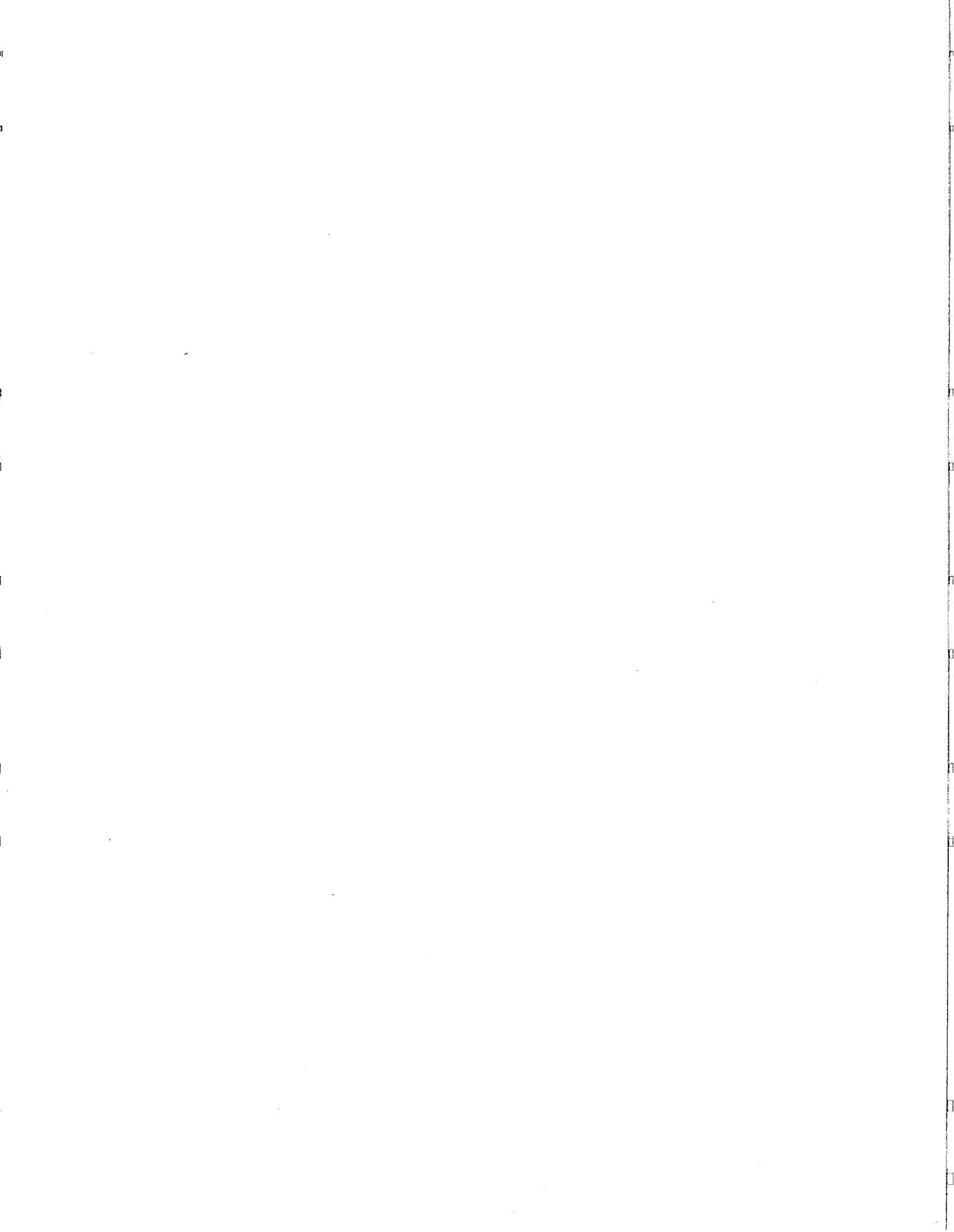
APPENDIX A

Permits Required for
Commercial Truck
Operation in Kansas

Each commercial truck operating in Kansas must have three permits--one to register the vehicle, one to operate as a business, and one to ensure that motor fuel taxes are paid. All of these permits can be purchased on an annual or per trip basis. Permits purchased on an annual basis are acquired from the Kansas Corporation Commission and the Department of Revenue, Division of Taxation. Permits purchased on a per trip basis are acquired from ports of entry. Finally, commercial trucks carrying an oversize or overweight load must have a temporary permit to carry that load through the State. This permit is also acquired from a port of entry.

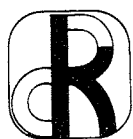
<u>Type of Permit</u>	<u>Cost</u>
Vehicle Registration	
Annual Registration	\$27.50 - \$1,475.00
Prorated Registration	(a percent of the above)
Reciprocal Registration	\$3.00 per year
72-Hour Registration*	\$20.00 per trip
30-Day Registration*	\$20.00 - \$184.00 per trip
Operating Authority	
Regular Authority	\$10.00 initial fee for the Corporation plus \$10.00 per year per truck
Special Authority*	\$5.00 per trip
Emergency Authority*	\$2.50 per trip
Empty Vehicle	No authority needed
Motor Fuel Permits	
Motor Fuel Users License	Quarterly tax payments
Motor Fuel Use Permit*	\$5.00 per trip
Special Circumstances	
Oversize Vehicle Permit* (vehicle does not meet State standards on weight and size)	\$5.00 per trip

*These permits are sold at ports of entry.



APPENDIX B

Agency Responses



Kansas
DEPARTMENT OF REVENUE

State Office Building
TOPEKA, KANSAS 66625

March 27, 1978

Dr. Richard E. Brown
Legislative Post Auditor
Legislative Division of Post Audit
Mills Building
Topeka, Kansas 66612

RECEIVED
MAR 27 1978
DIVISION OF POST AUDIT

Dear Dr. Brown:

The Legislative Post Auditor's report of March 22, 1978, assessing the effectiveness of the Kansas Motor Carrier Inspection System, has been reviewed by the Department of Revenue. The following comments concern one offered for your consideration:

The source of funding for the Motor Carrier Inspection System reported on page seven is incorrect. Until Fiscal Year 1978, the port system operated by the Department of Revenue was financed from the General Fund, ten per cent; from the State Highway Fund, sixty per cent; and from the Motor Carrier Fund, thirty per cent. Activities related to oversized and overweight vehicles were conducted by the Department of Transportation and supported one hundred per cent by the State Highway Fund. In Fiscal Year 1978 and Fiscal Year 1979, with the transfer of weight stations to the Department of Revenue, operations directly related to oversized/overweight vehicles were financed solely from the State Highway Fund. The remaining costs were funded on the same ten-thirty-sixty basis as before. It should be noted that precise expenditures for the system's activities in previous years are impossible to determine because the Department of Transportation did not separate the costs of weight station operations from the total costs of the highway safety program.

Legislative Post Audit response: The report was changed to indicate that the system receives 60 percent of its funding from the State Highway Fund, 30 percent from the Motor Carrier Fund of the Kansas Corporation Commission, and 10 percent from the general fund.

The \$2.7 million expenditure figure identified as Fiscal Year 1978, on page eight, is incorrect. This amount was the Division of Vehicles' budget request for Fiscal Year 1979. The 1977 Legislature appropriated \$3,328,476 for Fiscal Year 1978; however, the revised estimate for Fiscal Year 1978 is \$3,034,976. The difference between the 1978 Fiscal Year appropriations and the Fiscal Year 1979 budget request represents a reduction of more than \$600,000.

Legislative Post Audit response: The fiscal year 1979 budget request of the Division of Vehicles was not used to develop the estimate of expenditures for fiscal year 1978. The estimate was based instead on a historical analysis of expenditures as contained in the official accounting records of the agency.

The sharp increase in appropriations for Fiscal Year 1978 as compared to Fiscal Year 1977 was caused by legislative action which:

- (a) Approved the establishment of a central office to issue permits via a telecommunication network in Fiscal Year 1978, yet did not grant authority to establish such a system until July 1, 1978.
- (b) Approved an expanded mobile enforcement program, the purpose of which was to supplement reduced port activities, yet authority to reduce such port activities was withheld until July 1, 1978.

Legislative Post Audit response: These points are not at issue in the audit report.

It is reported on page 17, that fines levied on trucks cited for violating state laws will have decreased by sixty-two per cent or approximately \$150,000 primarily due to the reduction in the number of mobile inspection units from seven units in Fiscal Year 1974 to four units in Fiscal Year 1978.

The estimated decline is not supported by the following data furnished by the Highway Patrol:

<u>Year</u>	<u>* Fines Levied</u>	<u>Compared to</u> <u>\$ Change</u>	<u>Prior Year</u> <u>% Change</u>
1974	\$258,327	\$ ---	---
1975	\$209,000	(\$49,327)	(19.1)
1976	\$228,552	\$19,552	9.4
1977	\$210,638	(\$17,914)	(7.8)
1978	Not Available	---	---

* Source: Highway Patrol records, reported March 23, 1978 for violations of motor carrier related state laws.

Perhaps the reference is to some other system of fines, but in any case the source of such fines is not identified. It should also be recognized that differences in fines from year to year may be partly attributal to action of the judges and not to the enforcement program.

Legislative Post Audit response: The decrease of \$150,000 is the result of citations issued only by weight stations and mobile weight units. The report has been changed to clarify the point.

Effective July 1, 1977, eight mobile inspection units, of which only four were in operation, were transferred from the Department of Transportation to the Department of Revenue. It was necessary to purchase new portable weight scales since 34 of the 50 scales transferred did not meet federal standards. Before additional mobile inspection unit personnel could be hired, new job specifications and job descriptions had to be written to effectively merge weightmaster duties with those of the port of entry inspectors, establishing one motor carrier inspection classification series.

Although the hiring of personnel to replace those who retire or resign has been curtailed to avoid possible layoffs after the implementation of the recommended reorganization, it is interesting to note that only one inspector assigned to a mobile unit has retired and none have quit since the transfer to the Department of Revenue. Before July 1, 1977, these units were not "mobile inspection units" as currently operated by the Department of Revenue, but were "portable weight units" operated by the Department of Transportation and had no responsibility for checking permits, KCC regulations, and related motor carrier laws. Thus, the report on page 17 makes invalid comparisons.

Legislative Post Audit response: The Department's response indicates some confusion about the methods Legislative Post

Audit used to compare Highway Patrol and mobile unit citations. The comparison is based on citations issued for permit and safety violations between July 1, 1977, and December 31, 1977. The results were annualized to estimate a full year. The report has been changed to clarify the method used.

In any case, the below statistics of the Department of Transportation show that the decrease in total arrests and amount of fines began prior to the July 1, 1977, transfer of weight facilities to the Department. Therefore, the amount of the decrease suggested cannot be attributable to the system change under the Department of Revenue.

Safety Department
Department of Transportation
Topeka, Kansas

<u>PERIOD</u>	<u>TOTAL</u> <u>ARRESTS</u>	<u>DIFFERENCE</u>	<u>AMOUNT</u> <u>OF FINES</u>	<u>DIFFERENCE</u>
January 1, 1972-December 31, 1972	5,432	---	\$221,105	---
January 1, 1973-December 31, 1973	5,661	229	268,048	\$46,943
January 1, 1974-December 31, 1974	4,346	(1,315)	245,138	(22,910)
January 1, 1975-December 31, 1975	3,083	(1,263)	155,512	(89,626)
January 1, 1976-December 31, 1976	3,131	47	181,703	26,191
*January 1, 1977-December 31, 1977	2,480	(651)	96,946	(84,757)

* Estimate used on six months (January 1, 1977 - June 30, 1977)

Legislative Post Audit response: The audit report does not say that actions of the Department of Revenue brought about the decrease in the amount of fines levied through citations issued by weight stations and mobile units. Instead, the report says the decrease was caused by a decline in the number of operating mobile weight units from seven in fiscal year 1974 to four in fiscal year 1977. This decline occurred before the Department assumed operating control of the mobile weight units.

The network of 134 truck stops, motor carrier offices, and other locations in Kansas mentioned on page ten refers only to present facilities which provide telecommunication services. All four vendors have submitted additional locations for telecommunication equipment. After the recommended plan for reorganization is approved, by the Legislature, the Department of Revenue will seek additional vendor locations for the convenience of trucks.

Legislative Post Audit response: When this information was requested, the Department of Revenue provided information regarding only the 134 locations discussed in the audit.

The report concludes that the state "may be losing as much as \$3.1 million in permit sales because trucks are operating without proper permits," based on a three-day statistical survey made in February, 1978. It should be stressed that there have always been truckers who bypass the ports, under any system of enforcement, old or new, and it is a significant revenue loss. A figure of \$3.1 million is probably as good a guess as any. But it is also generally recognized that the only way to eliminate such a revenue loss is to establish 24-hour ports on all of the 165 roads leading into the State, which would well cost in excess of \$10 million annually. A more appropriate conclusion would be that to collect \$3 million in revenue currently lost, might well require an additional \$7 million in expenditures, for a net loss to the State in resources of \$4 million. Clearly this is not feasible. What the Department of Revenue has stressed is:

Provide easy means for truckers to become legal, mainly through an effective telecommunications network,

Reduce operating expenditures,

Expand the activity of the "mobile inspection units," and

Expand the enforcement program of the Highway Patrol, who are in the best position to provide such enforcement.

Therefore, it is requested that the \$3.1 million figure and the related material be omitted from the audit report as it is only a "guesstimate" and addresses a situation inherent in the port system since its inception.

Legislative Post Audit response: The estimate of \$3.1 million is based on a three-day, State-wide sample of 3,214 trucks. It is an estimate of how much additional revenue Kansas would gain if all trucks entering the State had all of the required permits. Increased enforcement efforts by mobile units and the Highway Patrol could help reduce the number of trucks bypassing inspection stations without obtaining proper permits.

Pages nine, ten, and eleven refer to the central permit office. The Department of Revenue has successfully established the office. It is not operating due to the restrictions established by Senate Bill No. 204. Truck drivers are not aware of this service, since it

does not exist at the present time. The Department of Revenue plans an extensive public notice effort to inform truck drivers of the availability of this service and are confident that its use will be substantial.

Legislative Post Audit response: It is noted in several places in the audit that the central permit office has been established but will not be fully operational until July 1, 1978.

In response to the recommendation on page eleven, while the present road signs have not been changed, to replace them with new ones make little sense because the locations of permanent Motor Carrier Inspection Stations will not be known until after legislative approval is given to the Department's recent recommendations.

Legislative Post Audit response: The recommendation is not dependent on the locations of permanent motor carrier inspection stations because it only calls for the Department to post signs at State borders to inform truck drivers of State laws and the penalty for breaking them.

In addressing the recommendations for Part III, page nineteen, numbers 1, 3, and 4, it should be noted that the Highway Patrol currently has comprehensive training program, consisting of three months academic training and fourteen months on-the-job training with a senior officer. They also have one week special designated in-service training for officers who have been on duty for sometime. The supervisory training sessions are generally from two to five days long; however, the duration may be as much as three weeks. In addition to these activities there are special training sessions for technical subjects.

Although the same subject matter should be approached by both groups, it is possible that more would be accomplished by training each unit separately. The rationale for this is that while a recruit in the Highway Patrol will have had the fourteen months in-service training with a senior officer and three months academic training, there is not the need for such extensive training for Motor Carrier Inspectors who have more limited functions. The levels of sophistication of personnel to be trained may vary too greatly to make a joint training session desirable or feasible.

In reference to the recommendation, number two, for "improving the ability of Highway Patrol Officers and Motor Carrier Inspectors to identify and cite truckers who bypass ports without having proper permits or who are in violation of safety, weight, size, or animal health regulations," the following comments are offered:

It is understood that this recommendation means that training sessions should be held so that those charged with enforcing the vehicle laws would understand what their duties are and how best to perform them.

Legislative Post Audit response: The Department of Revenue, the Highway Patrol, and Legislative Post Audit agree that motor carrier inspectors need better training. The audit recommends that a training program be established that allows motor carrier inspectors to take advantage of the expertise of the Highway Patrol. Joint training is not an issue, and such joint training may or may not be included in the program.

The mobile motor carrier inspection units will be placed strategically, will be staffed and trained, when the acceptance of the recommendations of the Department of Revenue has been made. However, to be realistic, the only way to identifying trucks which are not legal, is to stop all trucks to conduct a complete inspection of every aspect covered by law, to include registration, credentials, insurance, weight, length, and safety equipment, through the Motor Carrier Inspectors' statutory authority to enforce laws concerned with safety equipment is questionable.

Legislative Post Audit response: It would be an obvious waste of State resources to stop all trucks entering the State all the time. However, such measures as more effective spot checking will help ensure that inspection laws and regulations are being enforced and obeyed.

We find the report to generally be factual and objective. However, several of the questions posed under the audit objectives are not reflective of the situation as it now exists. We request that the reference to a possible loss of revenue of \$3 million be deleted from the report as it is irrelevant to the identified objectives of the audit report, not supported by sound statistical data, and at worst an attempt to catch a headline. Thank you for giving us the opportunity to comment on the report.

Sincerely,

F. Kent Kalb

F. Kent Kalb
Secretary of Revenue

Service—Courtesy—Protection

KANSAS HIGHWAY PATROL

ROBERT F. BENNETT, GOVERNOR

TOWNSITE PLAZA
BLDG. # 2, SUITE # 130
200 EAST SIXTH STREET
TOPEKA, KANSAS 66603
(913) 296-3801



COL. ALLEN RUSH
SUPERINTENDENT
LT. COL. CARL GRAY, JR.
ASST. SUPERINTENDENT
MAJ. JAMES L. ADKINS
FIELD OPERATIONS
MAJ. CHARLES L. HALL
FIELD OPERATIONS
MAJ. STUART A. ELLIOTT
TELECOMMUNICATIONS
AND SUPPORT SERVICES

March 27, 1978

Mr. Richard E. Brown
Legislative Post Auditor
109 West 9th Street, 3rd Floor
Mills Building
Topeka, Kansas 66612

Re: Audit Report - Kansas Motor
Carrier Inspection System

ATTENTION: Douglas J. Vogel

Dear Sir:

My comments concerning the draft copy of the reference audit report must necessarily refer back to the Patrol position concerning House Bill 3063 (1976 Session), House Bill 2151 (1977 Session) and Senate Bill 204 (1977 Session). Copies of testimony on the two house bills are attached. A copy of Patrol arrest activity for the years 1974 through 1977 is also included.

The total arrest figure for a given year is the number of charges filed, multiple charges are each counted as an arrest. The violation categories are selected as those that may be related to motor carrier inspection and size/weight enforcement.

My response hereafter will be to those summary recommendations in the audit report.

1. Take immediate steps to improve in randomly stopping motor carriers - Our prior testimony was to the effect that it would be our intention to increase the amount of time devoted to motor carrier inspections as related to House Bills 2151 and 3063. These bills made the Patrol responsible for weight stations and operation of them as motor carrier inspection stations. It was our calculated opinion the Patrol and weight stations should inspect 150,000 motor carriers annually. Please note that the Patrol inspected 61,334 in 1975, 59,671 in 1976 and 56,984 in 1977.



As related to the target of 150,000 inspections annually, a request for fourteen additional personnel was made.

A decline in the number of inspections in the three years is to be noted. Total employee hours devoted to this activity have diminished only from 14026 hours in 1975 to 13101 in 1977. Our average manpower for all activities in 1975 was 372. In 1977 the average was 379 however approximately 42 of these were in three to six months completion of training for new personnel.

There are two major tasks that divert Patrol resources from motor carrier inspections at this time.

- A. Enforcement of the 55 mile per hour speed limit with resultant savings of lives and energy. A bill now pending in Congress signifies the intent and authority to exercise sanctions against the states that do not secure substantial compliance with the 55 mile per hour limit. In substance, if as of September 30, 1978 more than 70% of the Kansas traffic is exceeding 55, 5% of the federal highway funds will be withdrawn for the fiscal year ending September 30, 1980. The mandate becomes progressively stringent. As of September 30, 1979 if more than 50% exceed 55 the penalty is 5%. As of September 30, 1980 the percentage is lowered to 30%, with 5% penalty. As of September 30, 1981 if more than 15% exceed 55 the penalty is 10% for the fiscal year ending September 30, 1983 and 10% each succeeding year thereafter.
- B. The service of pickup orders concerning suspensions of drivers licenses and registration plates. The 1977 Session in House Bill 2306 altered proof of insurance processes resulting in increased registration plate cancellations. In the first nine weeks of 1978 our pickup orders increased 246% over a like period in 1977 (4483 orders to 1822). Based on a continued volume of this magnitude we estimate ten (10) additional persons will be absorbed in this activity in 1978.

A uniformed trooper cannot turn his back on moving violations, accidents and emergency services to devote fulltime to motor carrier inspections. The average duty day of field personnel in 1977 was 9.5 hours in length.

Legislative Post Audit response: The recommendations on page 19 of the report were not intended to mean that the Highway Patrol's present system of randomly stopping and inspecting trucks was inadequate, and the wording of the recommendations has been changed to avoid such an interpretation. The audit did not evaluate the Highway Patrol's system. The recommendations call for the Highway Patrol to assist the Department of

Revenue in developing the Department's system for randomly stopping and inspecting trucks.

2. Improve identifying and citing violators - A constant effort is made through training and experience to improve. A random sample of motor carrier inspections, in the period December-February 1978, performed by troopers is submitted:

2726	motor carriers inspected
1825	motor carriers rejected
66.9%	motor carriers rejected
901	motor carriers approved
33.0%	motor carriers approved
3126	causes for reject found
509	charges filed.

Source tabulations are available. The citation rate per inspection is 1-5.35. The entire 1977 citation rate was 1-4.86 on data furnished with this response. SEE #3.

Legislative Post Audit response: Legislative Post Audit does not take issue with the Highway Patrol's training program; on the contrary, it recommends that the Department of Revenue take full advantage of the Highway Patrol's program. The audit report did note, however, that only 2.5 percent of trucks stopped were cited for permit violations. In light of Legislative Post Audit's survey that found 7.8 percent of trucks to have one or more permit violations, increased numbers of citations would appear to be possible.

3. A shared plan for providing classroom training for all new KHP officers and motor carrier inspectors.

The Patrol is more than willing to cooperate in a plan. Effective June 18, 1978 approximately thirty-five recruit troopers will commence training at Salina. The new trooper will in 581 hours of training and examinations receive the following courses related to motor carrier inspections.

<u>Subject</u>	<u>Hours</u>
Rules of Arrest	3
Search and Seizure	5
How to Use Law Books	1
Legal Terminology	1

Uniform Notice to Appear	2	
Uniform Notice to Appear - Reviews	2	
Uniform Act Regulating Traffic	19	(20% Applicable)
Titles and Registration Act	7	(10% Applicable)
Drivers License Act	8	(10% Applicable)
Motor Vehicle Inspection Laws	4	(10% Applicable)
Public and Private Motor Carrier Laws	32	
Rules of Evidence and Appearance in Court	2	
Civil Liability	2	
Interstate Motor Carriers and Hazardous Materials	2	
Radio and Telecommunications Procedure	2	
Psychology of Officer- Violator Contacts	1	
Trooper-Violator Contacts	9	(20% Applicable)
Building Public Relations	1	
TOTAL	<u>103</u>	
APPLICABLE	<u>63.5</u>	
Examinations Required	<u>1.4</u>	
	<u>64.9</u>	

The courses are at various times in a four month period separated by 60 days field officer/coach training. While the subjects all do not have direct bearing on motor carrier inspections, they do have substantial influences on the ability to respond to complex problems encountered while inspecting.

4. A shared plan for annual workshops and in-service training - Again, the Patrol is willing to cooperate in this activity.

This agency is budgeted for biennial training of all field officers in a classroom environment. The weekly schedule commences in late March and extends into early May. The weekly 40 hour training for a class of 40 (maximum) troopers includes:

- 8 hours Traffic Laws
- 4 hours KCC Rules and Regulations
- 2 hours Truck Registration
- 2 hours Proration and Reciprocity

Beyond this biennial training plan, the field trooper receives supportive or clarifying information by:

Bulletins
Zone Meetings (Sergeant and 6-10 troopers)
Division Meetings (Normally quarterly)
On request

The agency communications system enables a rapid relay of questions to responsive persons 24 hours per day. Answers can be returned in a timely manner from field supervisors and command except when the complexity exceeds their own knowledge, references or records. Proration and KCC staffs are available to us 40 hours per week.

SUMMARY: This audit report does address at least two areas that would assist.

1. A single agency should be directed to annually prepare an updated version of the Uniform Act Regulating Traffic (includes registration law), and furnish to each state law enforcement officer. The Patrol does not have legal staff or reproduction facilities adequate for the task. To illustrate, 1977 Session changes have been furnished to troopers in mimeographed sheets only, plus in division training.
2. The various agencies regulating motor carrier traffic by laws, rules and regulations should jointly prepare a well indexed quick reference manual for inspectors.

In addition, near identical regulations should be uniform. To illustrate, KCC recognizes the I.C.C. Commercial Zones in regulating interstate carriers. The boundaries of the exempt zone for Proration and Reciprocity in the Kansas City area are different.

Motor carrier inspectors can become confused and defeated in their purpose for lack of concise references that are easily understood.



ALLEN RUSH
Superintendent

LEGISLATIVE DIVISION OF POST AUDIT

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January 1976

Management of Surplus State-Held Land
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March 1977

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August 1977

Part II: Options for Containing Costs
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