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OFFICE OF THE STATE COMPTROLLER

May 16, 2003

Mr. Joseph H. Boardman
Commissioner
New York State Department of Transportation
State Office Campus - Building #5
Albany, NY 12232

Re: Report 2002-F-38

Dear Mr. Boardman:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Department of Transportation (Department) as of April 15, 2003, to implement the recommendations contained in our audit report, School Bus Safety Inspection Program (Report 2000-S-10) issued on August 22, 2001. In that audit, we examined the Department's systems for inspecting school buses every six months and their efforts to reduce the out-of-service rates of the bus operators with the highest rates.

Background

Many students attending public and private elementary and secondary schools in New York State are transported to and from school by buses that are operated by or under contract with the schools. According to State law, to operate these school buses each vehicle has to be inspected by the Department and have a valid inspection sticker issued within six months. The primary purpose of these inspections is to determine whether the buses are in safe and sound operating condition and are appropriately maintained by their operators. The evaluations made during these inspections are thorough, and address about 200 safety points described in Department regulations.

The Department's Motor Carrier Safety Bureau (Bureau) administers the school bus inspections program. The Bureau is also responsible for administering safety inspections for other types of buses and bus-like vehicles, such as chartered coach buses, commuter buses, ambulettes (used to provide transportation for non-emergency medical appointments), and municipal buses not operated by New York State public authorities. Transportation services are provided by about 2,800 operators ranging in size from large school districts with hundreds of buses to small contractors with less than ten vehicles.

The Bureau deploys inspectors in eight regional offices throughout the State. The inspectors perform more than 145,000 safety inspections and reinspections a year.

The Department uses the Bus Safety Information Network (BUSNET), a mainframe computer system, to record inspections, report on the results of inspections and assist in the overall management of the inspection process. When a bus is due to be inspected, BUSNET generates an inspection form that is sent to the appropriate bus inspector. The inspector completes the form electronically on a laptop computer and the information is transferred to the BUSNET database.

If defects classified as type A are noted during a bus inspection, the bus must be taken out of service by the operator and reinspected by the Department before it can carry passengers again. Such defects include faulty brakes, leaking transmission fluid and other serious problems. When defects referred to as type B are noted, such as faulty tail lights, the bus must be repaired before it can carry passengers, but need not be reinspected by the Department. If type C defects are noted (e.g., an inoperative step well light), the bus must be repaired within 15 days, but need not be taken out of service or reinspected. If a bus operator has a history of poor performance during inspections, it may be required to take a bus out of service and have it reinspected before carrying passengers, even for a type B or type C defect. Bus operators who fail to comply with these requirements may be fined by the Department or lose the permit that allows them to operate school or other types of buses.

The Department monitors the bus operators' inspection performance by calculating an out-of-service rate for each operator (this rate is determined by dividing the total number of buses taken out of service as a result of inspections by the total number of regular inspections performed on the operator's buses over a certain period). If an operator's out-of-service rate exceeds a certain level for a certain amount of time (i.e., 30 percent or more of the inspections performed on an operator's buses during the prior year, resulted in a bus taken out-of-service), the Department informs the operator that immediate improvements are needed in its bus maintenance practices, and until its out-of-service rate falls below a certain level (e.g., 30 percent), its buses may be taken out of service for any defects identified during Department inspections. If an operator's out-of-service rate is especially high (e.g., 40 percent or more) for an extended period, the operator may be fined.

Summary Conclusions

In our prior audit, we found that a small percentage of bus inspections were not done in a timely manner and the Department did not have a method for centrally monitoring whether school buses are inspected every six months. We also found BUSNET vehicle usage status information is not always accurate or complete. We observed inspections done by 18 inspectors and found that they were generally done in accordance with requirements. However, in several cases the brakes, fire extinguisher or first aid kit on school buses were not tested, as required. The regional supervisors in the three regional offices we visited did not always test each bus inspector's inspection practices as required by Department procedures. We found that the Department was able to reduce the out-of-service rates of many of the bus operators with rates of 30 percent or more and had made progress toward its goal of reducing the statewide out-of-service rate for all bus operators to less than 10 percent.

In our follow-up review, we found that Department officials have made substantial progress in implementing the recommendations contained in our prior report. The Department has improved BUSNET to generate reports on overdue inspections, added controls to prevent duplicate inspection certificate numbers from being used and implemented backup procedures. The Department also implemented steps to ensure that decelerometers are used, as required, and identified training needs of inspectors and provided additional training. However, it still needs to periodically monitor the BUSNET reports for uncompleted and overdue inspections centrally.

Summary of Status of Prior Audit Recommendations

Of the eleven prior audit recommendations, nine were implemented and two were partially implemented.

Recommendation 1

Improve systems to provide for central monitoring to verify that all school buses are inspected as required.

Status - Partially Implemented

Agency Action - The Department has revised BUSNET to generate aging reports of overdue inspections and uncompleted inspections. Regional supervisors are responsible for monitoring these reports. However, there is no procedure in place to centrally monitor these reports as a check on regional performance. Program officials told us they expect to upload regional supervisors' data to the mainframe for quarterly review by September 2003.

Recommendation 2

Enable BUSNET to automatically generate exception reports identifying:

- *Vehicles with no record of inspection within the last six months;*
- *Vehicles that have been placed out-of-service because they failed inspection and need to be reinspected before they can be placed back into service; and*
- *Operators who repeatedly delay making their buses available for inspection.*

Promptly follow up on the vehicles identified by these exception reports to ensure that their status is accurately recorded on BUSNET, and inspect any of the vehicles that need to be inspected. Investigate operators that repeatedly delay making their buses available for inspection to ensure that they are complying with Department regulations.

Status - Implemented

Agency Action - BUSNET generates monthly reports on overdue and uncompleted inspections, and out-of-service vehicles that have exceeded the 14-day criteria for reinspection. In addition, DOT's monthly Operator Profile Report identifies vehicles that have not been presented for a scheduled inspection.

Recommendation 3

Expedite the process that was initiated to verify the information recorded on BUSNET, and develop an action plan for maintaining the accuracy and completeness of this information in the future.

Status - Implemented

Agency Action - In December 2000, the Department trained its regional supervisors on updating BUSNET vehicle information. Department officials told us that the initial verification process was completed in 2001. That year, the Department also issued new procedures to inspection staff on how to record the proper status of vehicles that are not inspected (such as not presented for inspection, and temporarily or permanently out-of-service) in BUSNET. Department officials told us that the Department removes inactive vehicles and operators from BUSNET, but does not permanently delete them.

Recommendation 4

Add controls to BUSNET that prevent duplicate inspection certificate numbers from being entered on the system.

Status - Implemented

Agency Action - The range of certificate numbers assigned to each inspector is entered into BUSNET. If an inspector enters a certificate number outside their assigned range, out of sequence, or a previously used number, an error message will appear.

Recommendation 5

Develop a formal plan for recovering the information in BUSNET in the event that the information is lost or intentionally destroyed.

Status - Implemented

Agency Action - The Department has backup procedures for the inspectors' laptops and for recovering BUSNET data.

Recommendation 6

Ensure that decelerometers are used as required by bus inspectors.

Status – Implemented

Agency Action - The Department has taken ongoing efforts to ensure that brake inspections are done properly, including the use of brake meters. In October 2000, the Department issued a guidance memo on brake inspection meters to the Regions. The Department also provided additional guidance on brake inspections to inspectors and supervisors at training seminars in December 2000. In November 2001, the Department issued a revised, comprehensive brake inspection procedure, including conditions for the use of brake meters and alternative procedures for instances when conditions are inappropriate for the use of brake meters. In May 2002, an addendum to the brake inspection procedure was issued.

Recommendation 7

Periodically assess the training needs of the bus inspectors and provide the training, where appropriate.

Status - Implemented

Agency Action - The Department used a pre-training questionnaire to assess training needs of inspectors in 2002. Additionally, training seminars have provided staff with input opportunities including round table discussions and question and answer sessions.

Recommendation 8

Monitor the supervising inspectors to ensure that they perform, and document, field visits and audit inspections as often as required.

Status - Implemented

Agency Action - The Department issued a revised policy for quality assurance to all supervisors stipulating the number of required field visits and inspection reviews, the procedure to follow during the field visits and inspection reviews, and recording of all field visits and inspection reviews on the computerized Supervisor's Companion program. The procedure also requires quarterly submission of an electronic status report indicating the number of field visits and inspection reviews performed on each Motor Vehicle Inspector, along with a summary of the key issues to the Head of the Bus Safety Section and the Regional Traffic Engineer.

Recommendation 9

Develop an efficient and standardized process for documenting audit inspections.

Status - Implemented

Agency Action - BUSNET includes the Supervisors' Companion, an application that enables supervisors to input the result of audit inspections in a standard form.

Recommendation 10

Periodically review how inspection certificates are handled by the regional offices to verify that the certificates are maintained, issued and accounted for in accordance with Department procedures.

Status - Partially Implemented

Agency Action - The Supervisors' Companion application contains an Issue and Accountability function, which tracks the status of inspection certificates. Supervisors are required to reconcile all the certificates issued to each inspector. Within the Supervisors' report, all unused, out-of-sequence or destroyed certificates must be accounted for. After two years, the Department has not implemented its plan to review the Supervisors' Companion certificate accountability reports quarterly, to determine if supervisors follow Department procedure. Department officials told us that they expect to upload the regional supervisors' data to the mainframe for quarterly review by main office staff by September 2003.

Recommendation 11

Promptly implement plans to publish all bus operators' out-of-service rates on the Department's Internet web site.

Status - Implemented

Agency Action - The Department's web site contains bus operators' annual out-of-service rates for public access. Department officials told us they are now going to update the web site data every six months.

Major contributors to this report were Gerald Tysiak, Stephen Goss, Charles Krahula, Kathleen Hotaling and Nadiuska Piedra.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address any unresolved matters discussed in this report. We also thank the management and staff of the Department of Transportation for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Carmen Maldonado
Audit Director

cc: Deirdre A. Taylor
John Samaniuk