

# UCR STATE PERFORMANCE STANDARDS



Revision Date: January 28, 2020

## **State Election to Participate**

In order to participate in the UCR program, a state was required by the UCR Act, which is part of the federal highway reauthorization bill known as the Safe, Accountable, Flexible, Efficient Transportation Equity Act, A Legacy for Users (“SAFETEA-LU”), to file an election with the Secretary of the USDOT within three years after the Act became law. Any state that did not make an election was barred from joining UCR. A state that made an election to participate agreed to be bound by a set of requirements needed to fairly enforce the UCR Act and the UCR Agreement. Accordingly, the participating states will be required to undergo periodic compliance reviews, administered by, and with oversight from the UCR Audit Subcommittee and the UCR Board of Directors. Contained herein are the performance standards that states are expected to reasonably be able to demonstrate compliance with.

### **I. Review Process**

- The UCR program of each participating state will be reviewed for the state’s compliance with UCR requirements every five years
- Compliance reviews will be performed on a staggered basis, eight being performed each year
- For cause, the UCR Board may determine that a state should be reviewed with respect to its compliance with one or more specified matters outside of the regular review rotation
- Each compliance review will be performed by official(s) from other UCR participating states, other than the state under review, and UCR appointed contractors having sufficient knowledge of the UCR Plan and Agreement
- Every UCR participating state should contribute staff time to the review process in such proportions as may be determined by the UCR Board
- Travel expenses incurred by participating states in the performance of UCR compliance reviews (other than those of the state being reviewed) will be reimbursed by the UCR Board
- A UCR compliance review will consist of an examination of those aspects of a participating state’s UCR program for which performance standards have been set and the review should be sufficient to determine the state’s compliance with those standards
- Following each state compliance review, a report will be issued detailing the findings on the state’s compliance, and providing counsel to the state when necessary on how it may achieve compliance in any area in which the review determined it to be out of compliance

- Those involved in the review process should be alert to identify aspects of state UCR programs that may be recommended as UCR Best Practices.

## **II. Performance Standards**

The UCR Board has established performance standards by which the compliance of a UCR participating state with the requirements of the UCR program will be assessed. Standards have been established in the following general areas:

- (1) Education, Notice and Registration
- (2) Handling of UCR funds
- (3) Audit and enforcement of UCR, including an evaluation of the effectiveness of Focused Anomaly Reviews (FARs)

States are required to administer its UCR program in such a way that no other participating state is unfairly disadvantaged, and with a reasonable degree of care and prudence toward the interests of the other participating states. They should cooperate with the UCR Board and other participating states as necessary for the adequate enforcement of the UCR program as a whole. States should exercise particular care with respect to the administration of any aspect of its UCR program that affects the revenues of other participating states, or the level of UCR fees and to expend reasonable resources to enforce the UCR program, and be vigilant in administering its audit and enforcement programs to ensure compliance among the industry carriers based in the state.

The performance standards established by the UCR Board are:

### **(1) Education, Notice & Registration**

1. Every participating state shall provide an adequate system of delivering readily accessible relevant information to industry, educating them on the requirements necessary to comply with the UCR Plan
  - *States are required to supply evidence in the form(s) of documents, training materials, on-line electronic records, etc. that demonstrates compliance*
2. All participating states are required to maintain a system that provides reasonable notice to all registrants based in the state explaining requirements to fulfill timely their annual UCR registration obligations
  - *States are required to provide notice to carrier's based in the state and advising them of the requirements to register for UCR, and states are required to provide evidence of such notifications*
3. Notifying all non-based registrants timely to the extent the state has agreed to
  - *To the extent that a state agrees to provide notice for non-based registrants, the state should be able to show compliance in this regard*

4. States must provide notice to existing based state carriers advising them of the opening of the registration period and requirements to comply with UCR
  - *States are requested to provide samples of documents delivered to potential registrants and complete a questionnaire*
5. States must provide evidence of new entrant education and notice regarding UCR requirements
  - *States are required to show evidence (report samples, etc.) of their outreach programs to new industry entrants and to advise and educate them of the requirements to register for UCR, appropriate training materials are to be provided by the state*
6. States must maintain a solicitation program that advises unpaid carriers of their responsibility to register for UCR and pay a fee
  - *States are required to maintain a solicitation program that notices carriers who have not yet registered of their potential requirement to register for UCR, ideally this program is maintained in the National Registration System*
  - *In cases where a state does not provide a solicitation program, the UCR Board may assume this responsibility on behalf of a non-compliant state based on any rules the UCR Board may promulgate in this regard*
7. States are required to maintain records that demonstrates and quantifies the outreach of their solicitation program
  - *States must be able to provide records indicating the quantity of registrations along with calculations of unregistered carriers so the state can demonstrate its compliance rate*
8. States must provide training for state employees with regard to the delivery of the UCR plan, especially new employee training
  - *States must be able to provide records, including formal policies and procedures, documenting a state training program for new and existing employees, that are responsible for the delivery of the UCR program*
9. Adhering to all provisions of the UCR Act and Agreement and Board decisions
  - *States must demonstrate compliance with established rules and guidelines as may be established by statute and the UCR Plan Board of Directors*

## **(2) Handling UCR Funds**

1. Determine if a state processes and receives funds (cash, checks, credit cards, etc.) from registrants
  - *States must indicate their policies with regard to handling of UCR funds and in cases where states do accept funds, document their policies and procedures in this regard*

2. Maintaining internal controls adequate to ensure proper handling of all UCR funds received
  - *States must provide documentation evidencing a system of internal controls, especially in regards to separation of duties for handling (custody) funds and recordkeeping*
3. State's should reconcile the amount of funds received every month with the appropriate registration data to ensure the complete amount of funds are received
  - *States must provide records showing registration data and a reconciliation of that data with funds received for the identical period*
4. State's must provide records showing the agency(ies) that receive UCR funds and explain how those funds are generally used
  - *Demonstrate the agencies that are recipients of UCR funds and how those funds are used*
5. States will make timely payments of all invoices received from the UCR Depository in accordance with the UCR Agreement
  - *States must provide records of invoices received from the Depository along with evidence that supports whether payments were made timely or not*
6. States shall promptly address refund requests and administer the appropriate review, approval or denial within the policies approved by the UCR Board
  - *Review refund request logs in the NRS and ensure states are complying with the timeliness and other requirements as established by the UCR Board*

### **(3) Audit & Enforcement**

1. Identify businesses that should be based with the state for purposes of UCR
  - *Review state's statutes and regulations concerning UCR enforcement for adequacy, and if the state's provisions are inadequate, the state's efforts to obtain improvements*
2. Adopt legislative or regulatory provisions adequate for enforcing UCR requirements
  - *Obtain an understanding of state imposed barriers or deficiencies in audit or enforcement performance standards and ensure undertaking of satisfactory remedial action(s) in a timely manner*
  - *Review state's procedures for identifying businesses that should be based with it for UCR for reasonable effort expended, and results achieved*

3. Follow up with non-registering businesses the state believes should be registered for UCR purposes
  - *Review state's results for following up with businesses that should be registering with it for UCR and have not*
4. Competent performance of the required number and scope of UCR audits
  - *Review state's UCR audit effort for adherence to Board directions for audit coverage, scope, and procedures, timeliness and adequacy of reports to Board of state's audit effort and results, and cooperation with other state agencies on audit effort, where appropriate*
  - *States must provide correspondence with carriers, staff notes and other documentation supporting the conclusions reached on selected audits identified for field testing during the compliance review*
5. Report to the Board timely on the audits performed
  - *States shall provide evidence of an audit program that substantially complies with the performance standards, and provide all reports and audit evidence as required by the UCR Board*
6. Maintain a reasonable program of UCR enforcement at roadside and weigh stations.
  - *Review state's UCR enforcement policies and actions at roadside and fixed facilities for adequacy of coverage, follow-up, and collections*
7. Perform adequate, timely follow-up investigations and collections on referred Focused Anomaly Reviews (FARs)
  - *State's must adequately and timely address the FARs that are referred to it in accordance with the standards established by the UCR Board and the UCR Agreement*
8. Identify FARs that have not been followed-up on for any reason
  - *States must provide notes or other documentation supporting any decision to NOT review a FAR referred to the state*
9. Follow up on UCR-related citations and inspections (including "should-have-been" citations) issued to ensure the cited businesses become compliant with UCR requirements
  - *States must review the citation and inspection data from the NRS and other databases to solicit non-compliant carriers in efforts to increase compliance rates*
10. Suspend the operations of businesses that refuse or fail to comply with UCR
  - *Review state's suspension of operations of businesses that persist in noncompliance with UCR*

### **III. State Carrier Auditing Standards:**

1. Participating states will conduct carrier audits with the highest degree of professional ethics so as to promote trust and transparency with industry constituents
2. Audits will be performed in an objective, yet skeptical manner, enforcing the requirements of the UCR governing documents without any personal or political bias or prejudgments
  - a. *UCR governing documents include:*
    - i. *The UCR Act*
    - ii. *The UCR Agreement*
    - iii. *The UCR Handbook*
    - iv. *UCR State Performance Standards*
3. All audits must be adequately documented, using the policies and procedures adopted by each participating state and must be completed and retained using the National Registration Systems Audit Module and all audit documentation, notes and conclusions reached should be retained in the NRS Audit Module or some other state approved system
  - *The NRS Audit Module will function as the basis for all state audit performance monitoring and requirements, including all states annual submission of an annual audit report as required by Section 19 of the UCR Agreement*

### **IV. Key Performance Indicators**

The participating states are expected to meet the following ***Key Performance Indicators (KPI)*** levels:

1. Achieve at a minimum an 85% registration compliance rate by the end of the registration period
  - a. Registration compliance rate = Total UCR Registrations / Total UCR Universe
  - *States that do not demonstrate the ability to achieve the 85% registration compliance rate must submit a remedial action plan that identifies actions taken (or to be taken) that will help ensure future compliance with this KPI*