

BILL ANALYSIS

C.S.H.B. 898
By: Hamilton
Government Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Central Travel Office of the Texas Building and Procurement Commission (TBPC) negotiates with private travel agents and transportation providers to obtain reduced travel rates for certain public employees traveling on official business. The law permits numerous governmental entities to take advantage of these rates including employees of the state's legislative and executive branches, employees of higher education institutions, and employees of the Employee Retirement System. The 76th Legislature passed SB 204, authorizing county officers and employees to also participate in the state's contract for travel services, thus reducing the cost of travel expenses incurred by a county.

Based on the inclusiveness of the statute, it seems logical to extend these cost-saving benefits to school districts as well. In fiscal year 2001, Texas school districts spent \$133 million on travel for employees and school board members. Allowing public junior colleges and school districts to participate in travel service contracts could significantly reduce expenses, as well as potentially strengthen the state's negotiating position by increasing the volume of travelers pooled.

C.S.H.B. 898 would allow officers and employees of a public junior college or a school district engaged in official business to participate in the state's travel services. C.S.H.B. 898 would also limit the amount of reimbursement that a school district or public junior college may make to district officers or employees to those determined using the state travel allowance guide.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Building and Procurement Commission in SECTION 1 (Section 2171.055, Government Code) of this bill.

ANALYSIS

This bill would implement the recommendation ED-12 from the Comptroller's E-Texas report, "Limited Government, Unlimited Opportunity."

C.S.H.B. 898 permits officers and employees of school districts and public junior colleges engaged in official business to participate in all of TBPC's contracts for travel services. Significant savings should be possible because these institutions will be able to purchase airfares and have access to other travel services at lower costs, in some cases as much as 60 percent of the normal cost of airfare.

This bill allows TBPC to recover the commission's cost for administering the program by charging participating school districts or public junior colleges a cost recovery fee. The fees collected under this bill would be deposited into a public education travel account in the general revenue fund. Consequently, allowing school districts and public junior college access to the state's travel services should have no net fiscal impact on the state because the participation fees charged to school districts and community colleges would cover any added administrative expenses incurred by the TBPC.

C.S.H.B. 898 also limits the amount that a school district or public junior college can reimburse its district officers or employees to those determined using the state travel allowance guide adopted by the Comptroller under Section 660.021, Government Code.

Although travel expenditure data was not available for public junior colleges, based upon actual travel expenditures of \$133 million by school districts in fiscal 2001, we assume that the state's school districts can save at least 10 percent of those costs through participation in the travel program and restricting reimbursements to the negotiated rates. However, the actual amount of these savings will depend on the institution's current travel policies and practices and its future level of participation in the program.

EFFECTIVE DATE

This Act takes effect September 1, 2003, applying to reimbursements for expenditures made after August 31, 2003. Reimbursements for expenditures made before September 1, 2003 would continue to be governed by the law in effect at the time of the expenditure.

COMPARISON OF ORIGINAL TO SUBSTITUTE

SECTION 1. Removes limitations on use of travel services. H.B. 898 limited use to airline fares and travel agent fees. Also establishes that fees incurred under the program will be deposited to the credit of the "public education travel account," instead of the "school district airline fares account."

SECTION 2. Under H.B. 898 as introduced, reimbursement for travel expenditures were limited to the rate negotiated by the Texas Building and Procurement Commission under Chapter 2171, Government Code. C.S.H.B. 898 allows both school district employees and public junior college employees to be reimbursed under guidelines established by the comptroller under Section 660.021, Government Code.