

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 14, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB898 by Hamilton (Relating to the use of state travel services by public junior colleges and school districts.), **As Engrossed**

No fiscal implication to the State is anticipated.

This bill would authorize school districts and community/junior college districts to use state travel services provided by the Texas Building and Procurement Commission for a fee. The bill would also prohibit a school district or community college from reimbursing a district officer or employee for travel expenses in excess of the applicable contract rate negotiated by the Texas Building and Procurement Commission whether or not the school district chooses to use state travel services. This bill implements the Comptroller's E-Texas recommendation ED-12.

Local Government Impact

The Comptroller indicates a potential savings of \$13.3 million annually based on an estimated 10% savings on projected expenditures of \$133 million

According to the Texas Education Agency's (TEA) expenditure data from PEIMS (school year 2000-01), school districts spent \$124 million on travel. TEA estimates that 4% of district travel expenditures is for airfare and a total of 16% is for lodging and airfare services.

If the same percentages of air travel and lodging expenditures are applied to the \$133 million, a 10% annual savings for these expenditures would result in \$532,000 in air travel and \$2,128,000 for air travel and lodging combined.

Savings to public junior colleges would depend on current purchasing practices and may be offset by charges resulting from commissions paid to the Texas Building and Procurement Commission.

Source Agencies: 701 Central Education Agency, 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board

LBB Staff: JK, DLBa, JO, GO, PF, DSB, PQ