

SUBJECT: Allowing school and junior college districts to use state travel program

COMMITTEE: Government Reform — committee substitute recommended

VOTE: 5 ayes — Swinford, Callegari, Casteel, R. Cook, T. Smith

0 nays

2 absent — Gallego, Allen

WITNESSES: None

BACKGROUND: Government Code, sec. 2171.055 requires state executive branch agencies to buy discounted airline tickets and other travel services through a general state contract negotiated and administered by the Texas Building and Procurement Commission (TBPC). State colleges and universities and the Employees Retirement System are not required to participate in the program but may choose to buy travel services through the state contract.

The 75th Legislature in 1997 enacted HB 255 by Denny, allowing sheriffs, deputy sheriffs, or juvenile probation officers transporting prisoners to use the state's travel agency contract to obtain lower airfares. SB 204 by Carona, enacted by the 76th Legislature in 1999, authorized other county employees to travel on official business through the state's reduced airfare contract.

DIGEST: CSHB 898 would authorize public junior college or school district elected officials and employees engaged in official business to book airfares and other travel services through the state's travel program. The TBPC could charge a fee, not to exceed actual costs, to a participating junior college or school district for using the program. The commission would have to review those fees periodically and adjust them as necessary to ensure recovery of administrative costs. Fees would have to be deposited in the public education travel account and could be appropriated only for purposes of the state travel program. The commission would have to adopt rules and make or amend contracts as necessary to administer the bill's provisions.

A school district or public junior college could not reimburse an officer or employee for any travel expenditure higher than the applicable amount determined by using the comptroller's state travel allowance guide.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CASHB 898 would give junior colleges and public school districts the same opportunity as state agencies and counties have to save taxpayer money when paying for airline tickets and other travel expenses. In 2001, Texas school districts spent \$133 million on travel for employees and school board members to attend conferences, recruitment trips, training, and speaking engagements. However, school districts and junior colleges lack access to the low-cost and highly flexible travel rates offered through the TBPC. The comptroller's e-Texas report estimates that this measure would save school districts more than \$13 million per year in expenditures for airfare, rental cars, lodging, and other travel services.

Requiring school districts and junior colleges to adhere to the state travel allowance guide would help prevent excessive travel expenditures and other abuse. The comptroller routinely audits travel vouchers submitted through the state travel program. All purchases are made through the TBPC credit card, and the commission may review statements at random to ensure compliance with state travel guidelines. TBPC also can block access to certain merchant codes that clearly fall outside the travel guidelines, such as liquor stores.

CASHB 898 could provide additional savings on travel expenses for the state and counties as well, because adding junior college and school district employees would increase the pool of likely users. TBPC would be in a better position to negotiate with airlines and other travel service providers for more favorable rates, and these discounts could be more advantageous than those that state agencies, counties, or educational institutions could obtain by themselves.

Requiring educational institutions to form a separate negotiating pool would be inefficient and would duplicate existing programs, wasting taxpayer money. The state does not need to create a separate entity, whether public or private, to administer a travel program for school districts or junior colleges. Participation in the program is optional, and smaller school districts would not

be charged unless they participate in the program. State and local taxpayers are the same people, and they want to see their tax dollars spent wisely.

**OPPONENTS
SAY:**

Even though saving tax money is important, CSHB 898 would blur the line between local districts and state government and would violate the principle of limited government. School districts and junior college districts could leverage their buying power for airline tickets and travel services by forming their own negotiating pools rather than using a state agency.

Vendors might be reluctant to extend favorable travel service rates to educational institutions because it would be difficult to monitor them for abuse. School districts have reimbursed trustees and employees for excessive expenses such as hotel movie rentals, alcoholic beverages, or trips to Africa.

NOTES:

As filed, HB 898 would have established the school district airline fares account, rather than the public education travel account, and would have specified that school district and junior college officers and employees could use the state travel program for the purpose of obtaining reduced airline fares and travel agent fees. The filed version would have limited reimbursement for travel expenses to the applicable contract rate negotiated by the TBPC, rather than basing it on the comptroller's state travel allowance guide.

The companion bill, SB 1365 by Staples, identical to CSHB 898, has been referred to the Senate Intergovernmental Relations Committee.

On March 31, the House by 146-0 approved a related bill, HB 1061 by Griggs, et al., which would allow cities to participate in the state travel program. HB 1061 has not yet been referred to committee in the Senate.