

STORAGE NAME: h0173.go

DATE: October 18, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS**

BILL #: HB 173

RELATING TO: Traveling Expenses/Public Business

SPONSOR(S): Representative Levine

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS
 - (2) RULES & CALENDAR
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (4)
 - (5)
-

SUMMARY:

Current Florida law provides that any state officer, employee, or authorized person traveling for state business can be reimbursed for meals that are covered within certain time periods of travel. The current rates are: Breakfast - \$3, Lunch - \$6, and Dinner - \$12; a total of \$21 per day maximum for meals.

This bill amends section 112.061(5)(b), Florida Statutes, by raising the subsistence rates for public employee travel reimbursement. This bill increases the rate for breakfast to \$6, lunch to \$9, and dinner to \$15. This bill increases the total to \$30, making the meal allowance equal to the Federal standard daily rate for meal allowance.

The fiscal impact of this bill to the state and local government is unavailable with the current computerized system used by the Comptroller. Agencies could have a possible 43 percent increase in meal allowance expenditures. However, the agencies could offset the increases in the subsistence rate by decreasing state business travel by state employees.

This bill provides an effective date of July 1, 2000.

I. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- 1. Less Government Yes [x] No [] N/A []
- 2. Lower Taxes Yes [x] No [] N/A []
- 3. Individual Freedom Yes [x] No [] N/A []
- 4. Personal Responsibility Yes [x] No [] N/A []
- 5. Family Empowerment Yes [x] No [] N/A []

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 112.061(5), Florida Statutes, provides the method of calculating travel days for Class A and Class B travel. Class A travel is travel within a calendar day (midnight to midnight). Class B travel begins at the same time as the actual travel period. Class C travel is defined in paragraph (m) of section 112.061(2), F.S., as travel for short or day trips where the traveler is not away overnight. Travelers on Class C travel are allowed reimbursement for meals. Under section 112.061(5), F.S., the schedule for Class C meals is:

Breakfast -- When travel begins before 6 a.m. and extends beyond 8 a.m.

Lunch -- When travel begins before 12 noon and extends beyond 2 p.m.

Dinner -- When travel begins before 6 p.m. and extends beyond 8 p.m., or when travel occurs during nighttime hours due to special assignment.

The rates for subsistence reimbursement while on Class C travel are provided in paragraph (b) of section 112.061(6), F.S., as:

Breakfast	\$	3
Lunch		6
<u>Dinner</u>		<u>12</u>
TOTAL	\$	21

The Legislature last raised these rates in 1981(SB 268, Chapter 81-207, Laws of Florida) by raising the rates for the meals as follows: Breakfast from \$2.50 to \$3, Lunch from \$3.50 to \$6 and Dinner from \$6 to \$12. From September 1981 to September 1999, the Consumer Price Index has increased from 93.2 to 167.9, an 80 percent increase.

For public officers, employees, and other authorized persons who travel to conduct state business and where travel is not classified as Class C travel, section 112.061(6)(a), F.S., establishes rates for travel reimbursement. These travelers have the option of one of the following for each day of travel:

- 1. Fifty dollars per diem; or

2. If actual expenses exceed \$50, the amounts permitted in paragraph (b) for meals, plus actual expenses for lodging at a single-occupancy rate to be substantiated by paid bills therefor.

In comparison, the standard daily rate for meals and incidentals for Federal employees is \$30.00 (broken down as \$6.00 for breakfast, \$6.00 for lunch, \$16.00 for dinner, and \$2 for incidentals, e.g. tips, telephone calls, transportation). The standard meal allowance per day for employee business expense deductions under the I.R.S. is \$30.00 also.¹

C. EFFECT OF PROPOSED CHANGES:

This bill raises the public employee meal allowance by increasing the individual meal rates as follows:

Breakfast	\$3 6
Lunch	6 9
<u>Dinner</u>	<u>12 15</u>
TOTAL	24 30

This bill increases Florida's total meal allowance by 43 percent, making it equal to the Federal meal allowance standard rate.

Agencies could have a possible 43 percent increase in meal allowance expenses paid out. However, the agencies could offset the increases in the subsistence rates by decreasing the state business travel by employees.

This bill provides an effective date of July 1, 2000.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This bill may create an increase in agency expenditures for state employee travel subsistence reimbursement.

¹ Publication 17, Your Federal Income Tax, Chapter 28 - Car Expenses and other Employee Business Expenses, <http://www.irs.gov/prod/forms_pubs/pubs/p172801.htm>.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The fiscal impact on local governments cannot be determined because only those governments that do not have local legislation providing for their own travel reimbursement rates would be fiscally impacted. These local governments choose to use the state rates rather than create local rates. Local governments are not required by state law to use the state subsistence rates.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The higher rate for meal allowances may cause an increase in public employees patronizing restaurants that previously were not used because of the higher cost of those restaurants.

D. FISCAL COMMENTS:

The State Comptroller's travel reimbursement records do not reflect amounts for meal allowance paid to state employee travelers, as the amounts are not separated by category (e.g. per diem, meals, mileage). Therefore, the fiscal impact of the meal allowance increases proposed by this legislation could not be ascertained.

III. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds, or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with the counties or municipalities.

IV. COMMENTS:

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A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

Jennifer D. Krell

Jimmy O. Helms