

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/HB 1137 Use of State Funds

**SPONSOR(S):** Government Accountability Committee; Government Operations & Technology Appropriations Subcommittee; Edwards

**TIED BILLS:**           **IDEN./SIM. BILLS:** CS/SB 1668

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	11 Y, 0 N	Whittaker	Harrington
2) Government Operations & Technology Appropriations Subcommittee	11 Y, 0 N, As CS	Keith	Topp
3) Government Accountability Committee	23 Y, 0 N, As CS	Whittaker	Williamson

### SUMMARY ANALYSIS

The Legislature has established standard travel reimbursement rates applicable to all public officers, public employees, and other individuals whose travel is authorized and paid for by a public agency. In 2016, the Legislature passed an implementing bill that created a limit on the amount of actual expenses for lodging that may be reimbursed under certain circumstances. The bill codifies that limitation and provides that when an employee of a state agency or the judicial branch is attending a meeting, conference, or convention organized or sponsored in whole or in part by a state agency or the judicial branch, the reimbursement for lodging expenses may not exceed \$150 per day. However, an employee may expend his or her own funds for any lodging expenses in excess of the limit. The bill provides that a meeting does not include travel activities for conducting an audit, examination, inspection, or investigation or travel activities related to a litigation or emergency response.

Current law prohibits the use of state funds for the purchase, preparation, printing, or mailing of any card to convey holiday greetings. The bill prohibits the use of state funds for the following additional purposes:

- The purchase of alcoholic beverages; and
- The purchase of food or beverages for events related to state agency employee, board member, or vendor appreciation or recognition.

The bill will have a positive fiscal impact on state government and judicial branch expenditures associated with the lodging expenditure requirements and state fund prohibitions established in the bill. The bill does not appear to have a fiscal impact on local governments.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Per Diem and Travel Expenses**

###### Present Situation

The Legislature has established standard travel reimbursement rates applicable to all public officers, public employees, and other individuals whose travel is authorized and paid for by a public agency.<sup>1</sup> All travel must be authorized by the head of the agency, or his or her designated representative, from whose funds the travel expenses are paid. In addition, travel expenses must be limited to those necessarily incurred in the performance of a public purpose authorized by law to be performed by the agency.<sup>2</sup> Current law establishes the following three categories of travel:

- Class A – Continuous travel of 24 hours or more away from official headquarters.<sup>3</sup>
- Class B – Continuous travel of less than 24 hours that involves overnight absence from official headquarters.<sup>4</sup>
- Class C – Travel for short or day trips where the traveler is not away from his or her official headquarters overnight.<sup>5</sup>

Currently, Florida allows \$80 per diem for Class A and B travel.<sup>6</sup> If expenses exceed \$80, the state will pay a maximum of \$36 (\$6 for breakfast, \$11 for lunch, and \$19 for dinner) in addition to the actual expenses for lodging at a single-occupancy rate supported by paid bills.<sup>7</sup> Class C travel is not reimbursed on a per diem basis, but instead for each meal during which the travel occurred.<sup>8</sup>

The 2016-17 implementing bill created a limit on the amount of actual expenses for lodging that may be reimbursed under certain circumstances. The bill provided that when an employee of a state agency or the judicial branch is attending a meeting, conference, or convention organized or sponsored in whole or in part by a state agency or the judicial branch, the reimbursement for lodging expenses may not exceed \$150 per day. However, an employee may expend his or her own funds for any lodging expenses in excess of the limit. This limit is in effect until July 1, 2017.

###### Effect of the Bill

The bill codifies the implementing bill's \$150 per day limit on lodging expenses in s. 112.061, F.S. The bill also provides that a meeting does not include travel activities for conducting an audit, examination, inspection, or investigation or travel activities related to a litigation or emergency response.

##### **State Fund Prohibitions**

###### Present Situation

Current law prohibits the use of state funds for the purchase, preparation, printing, or mailing of any card to convey holiday greetings.<sup>9</sup>

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<sup>1</sup> Section 112.061(1), F.S. The term "public agency" is defined as any office, department, agency, division, subdivision, political subdivision, board, bureau, commission, authority, district, public body, body politic, county, city, town, village, municipality, or any other separate unit of government created pursuant to law. Section 112.061(2)(a), F.S.

<sup>2</sup> Section 112.061(3), F.S.

<sup>3</sup> Section 112.061(2)(k), F.S.

<sup>4</sup> Section 112.061(2)(l), F.S.

<sup>5</sup> Section 112.061(2)(m), F.S.

<sup>6</sup> Section 112.061(6), F.S.

<sup>7</sup> *Id.*

<sup>8</sup> Section 112.061(5)(b), F.S.

<sup>9</sup> Section 286.27, F.S.

### Effect of the Bill

The bill prohibits the use of state funds for the following additional purposes:

- The purchase of alcoholic beverages; and
- The purchase of food or beverages for events related to state agency employee, board member, or vendor appreciation or recognition.

#### B. SECTION DIRECTORY:

Section 1. amends s. 112.061, F.S., relating to per diem and travel expenses of public officers, employees, and authorized persons.

Section 2. amends s. 286.27, F.S., relating to prohibited uses of state funds.

Section 3. provides an effective date of July 1, 2017.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

None.

##### 2. Expenditures:

The bill will have a positive fiscal impact on state government and judicial branch expenditures associated with the lodging expenditure requirements and state fund prohibitions established in the bill.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

None.

##### 2. Expenditures:

None.

#### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

#### D. FISCAL COMMENTS:

None.

## **III. COMMENTS**

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

##### 2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 28, 2017, the Government Operations and Technology Appropriations Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment removed the following sections from the bill:

- Section 2, pertaining to Maximum Cost Per Square Foot for New State-funded Building Construction; and
- Section 3, pertaining to Legislative Budget Requests.

On April 19, 2017, the Government Accountability Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment provided that a meeting does not include travel activities for conducting an audit, examination, inspection, or investigation or travel activities related to a litigation or emergency response.

This analysis is drafted to the committee substitute as approved by the Government Accountability Committee.