HOUSE RESEARCH ORGANIZATION bill analysis 5/21/97

SB 495
Armbrister
(Ramsay)

SUBJECT: Reimbursing travel expenses of state officers and employees

COMMITTEE: State Affairs — favorable, with amendment

VOTE: 9 ayes — Wolens, S. Turner, Counts, Craddick, Hunter, Longoria, McCall, Ramsay, Stiles

1 nay — Carter

5 absent — Alvarado, Brimer, Danburg, Hilbert, D. Jones

SENATE VOTE: On final passage, Local and Uncontested Calendar, March 13 — 31-0

WITNESSES: For — None

Against — None

On — Kenny McLesky, Comptroller of Public Accounts

BACKGROUND: In 1959, the Legislature enacted the Travel Regulations Act (TRA) to govern the travel of state officers and employees on official state business. Additional provisions governing reimbursement for travel expenses, including per diem and mileage reimbursement limits, are routinely included in the general riders section (currently Article 90 of the general appropriations act.

DIGEST: SB 495 would revise provisions for reimbursing travel expenses by state officers and employees and move to the Government Code some provision now in Art. 9 of the general appropriations act. The bill would allow the comptroller to make rules governing travel reimbursement provisions of the general appropriations act.

The bill would allow agencies to retain the original copies of travel vouchers and receipts, eliminating the requirement that they be forwarded to the comptroller. Agencies could store electronic images of receipts rather than physically keeping the originals on file.

The bill also would:

- allow reimbursement for employees who purchased non-refundable airline tickets to obtain a lower airfare but were unable to use them due to illness or personal emergency;

- designate that the governor's spouse receive reimbursement for actual travel expenses incurred while acting at the direction of the governor;

- require advance written approval from an agency's chief administrator or a designee, instead of from the governor, for reimbursement for travel outside North America;

- allow an agency to pay for the preparation and transportation of the remains of an employee who died while away on state business; and

- allow reimbursement of state employees traveling to the funeral of another state employee.

The bill would take effect September 1, 1997.

SUPPORTERS SAY:

In the 38 years since the Travel Regulations Act was enacted, the travel needs of state agencies and the practices of the travel industry have changed, rendering many of the act's provisions unwieldy or obsolete. It has become increasingly complicated and expensive for the Comptroller’s Office to exercise its responsibility to adopt rules and conduct audits on travel expenses and for agencies to understand and follow the rules. SB 495 would modernize the TRA and eliminate its ambiguities and inconsistencies.

Allowing agencies to keep travel vouchers and receipts, instead of automatically forwarding them to the Comptroller's Office, would greatly simplify the reimbursement process and prevent delays in the processing of reimbursement requests. The comptroller would retain the same audit authority and would simply visit the agencies selected for audits and review their records. Agencies not maintaining appropriate documentation would be subject to an audit finding and penalized.

SB 495 would implement a recommendation of the latest Texas Performance Review report *Disturbing the Peace* that employees be reimbursed for non-refundable airline tickets they were unable to use due to illness or a personal emergency. Currently, state employees cannot be reimbursed for airline tickets if they had to cancel their trip for these reasons. As a result, employees are encouraged to buy refundable tickets, which costs as much as 70 percent more than non-refundable tickets. Although the state would face an additional expense from reimbursing the roughly three percent of employees who cancel their trips, the airfare discounts actually would save the state $266,000 per year.

SB 495 would give agencies more flexibility in reimbursing travel outside North America. Agency heads are qualified to approve international travel; requiring the governor to give this approval generates needless delay and red tape.

The position of the governor’s spouse is unique and not addressed in current law. Governors' spouses serve as representatives and spokespersons for the state and should be reimbursed for expenses incurred while performing these duties. Although most individuals elected to the office of governor may be personally wealthy or able to tap political funds, future governors might not enjoy such privilege, and the public service activities of the governor's spouse should not be hindered by lack of funds.

By adding some provisions and clarifying and updating many others, SB 495 would minimize the possibility that state officers and employees would violate the TRA or incur travel expenses that were not reimbursable or payable.

OPPONENTS SAY:

SB 495 would eliminate important accountability measures in reimbursing state employees for travel expenses. The bill would remove the requirement that agencies submit travel vouchers and actual receipts to the comptroller, and instead keep them on file. Consequently, travel vouchers and receipts would be checked only in the course of a comptroller's audit, leaving the majority of documentation unexamined. This would remove needed accountability measures from the the travel reimbursement system, encouraging sloppy documentation of expenses and possible abuse or fraud.

The governor's spouse should not receive reimbursement for travel expenses. Regardless of the nature of their activities, gubernatorial spouses serve in an essentially political capacity, and their travel expenses should be paid from personal or political accounts instead of being subsidized by Texas taxpayers. Spouses are neither elected nor appointed, nor officially accountable in any way, and should not have an effective blank check for their travel expenses.

The bill's provision allowing employees to be reimbursed for non-refundable tickets has great potential for abuse. The bill would make it easier for employees to use the non-refundable tickets for personal travel, instead of for future state business travel.

NOTES: The committee amendment would require advance written approval from an agency's chief administrator or a designee, instead of from the governor, for reimbursement for travel outside North America.