

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1292
 SPONSOR: Senator Lawson
 SUBJECT: State Employee Travel and Per Diem
 DATE: March 18, 2001 REVISED: 03/21/01 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>Wilson</u>	<u>GO</u>	<u>Fav/1 amendment</u>
2.	_____	_____	<u>AGG</u>	_____
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill permits state agencies, which are operating under an appropriated performance-based program budget, to increase the amount paid to traveling employees for subsistence by up to 25 percent, if the Executive Office of the Governor approves and if funds are available.

This bill amends section 112.061, Florida Statutes.

II. Present Situation:

Performance Based Budgeting—In 1994, the Legislature passed ch. 94-249, L.O.F., entitled the “Government Performance and Accountability Act of 1994,” which established performance-based program budgeting (PB²) in Florida government. Pursuant to statute, PB² was phased in over a 7-year schedule during which agencies were required by specified staggered dates to submit a list of programs, performance measures for each program, data showing past and current performance, and proposed future performance measures to the Executive Office of the Governor (EOG) and the Legislature.¹

Once submitted, the programs and measures may be approved, modified, or rejected by the EOG and Legislature. Approved programs and measures are included in the agency’s legislative budget request, and each year the Legislature designates acceptable programs, performance measures and standards, and appropriates resources to accomplish these standards. Additionally,

¹See Section 216.0172, F.S., repealed by ch. 2000-371, L.O.F. (provided deadlines for all state departments, including the public schools, community colleges and state university system within the Department of Education, the Fish and Wildlife Conservation Commission, EOG, Parole and Probation Commission, Public Service Commission, Division of Retirement, Division of Administrative Hearings, the state attorneys, the public defenders, Justice Administrative Commission, and capital collateral counsel for the submission of performance-based budget requests to the EOG and Legislature).

after an agency's initial year of PB² participation, the Legislature examines the actual performance of the programs in comparison to their standards, and determines whether to award incentives or disincentives based on performance.

The statutory 7-year phase-in period for PB² closed on September 1, 2000. Accordingly, all state agencies² are now required to include performance information in their legislative budget requests.³

Per Diem and Travel Expenses for Public Employees—Section 112.061, F.S., sets forth uniform maximum rates and limitations for the payment of employee travel expenses by public agencies. The section applies to all “public agencies,” which are 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.”

Travel by employees of public agencies is categorized. “Class A” travel means continuous travel of 24 hours or more away from official headquarters. “Class B” travel means continuous travel of less than 24 hours that requires an overnight absence from official headquarters. “Class C” travel means day trips, which do not require an overnight stay.

For overnight Class A or Class B travel, the traveler has the option of receiving \$50 per diem, or if actual expenses exceed \$50, the traveler may receive the actual cost for overnight lodging plus meal amounts of \$3 for breakfast, \$6 for lunch, and \$12 for dinner. For class C travel, the traveler may only receive the aforementioned meal amounts. Payments for Class C travel are taxable as income, while payments for Class A and B travel are not.

III. Effect of Proposed Changes:

The bill amends s. 112.061(6), F.S., to permit a state agency, which operates under an appropriated performance-based program budget, to increase the amounts it pays traveling employees for subsistence by up to 25 percent, if the EOG approves and if funds are available.

As discussed in the “Present Situation” section, *supra*, the statutory 7-year phase-in period for PB² closed on September 1, 2000, and thus, all state agencies are now required to include performance information in their legislative budget requests.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

²For purposes of ch. 216, F.S., state agencies are defined as: “[A]ny official, officer, commission, board, authority, council, committee, or department of the executive branch of state government. For purposes of this chapter and ch. 215, ‘state agency’ or ‘agency’ includes, but is not limited to, state attorneys, public defenders, the capital collateral regional counsels, the Justice Administrative Commission, the Florida Housing Finance Corporation, and the Florida Public Service Commission. Solely for the purposes of implementing s. 19(h), Art. III of the State Constitution, the terms ‘state agency’ or ‘agency’ include the judicial branch.”

³Section 216.023, F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Data received from the Office of the Comptroller indicates that approximately \$2.6 million in calendar year 1999, and approximately \$2 million in calendar year 2000 were paid by state entities operating under PB² for Class C meals. The average expenditure over the two-year period for Class C meals is \$2.3 million per calendar year. Under the bill, this amount could be increased, if the agency chooses to do so, funds are available, and the EOG approves, by up to 25 percent. A 25 percent increase in the average expenditure for Class C meals for the past two years would be \$575,000 per year. Data was not available as to the amount paid for meals while on Class A or B travel.

The precise fiscal impact of this bill is indeterminate. As discussed above, complete state spending data is unavailable. Moreover, it is not known whether an agency will choose to seek EOG approval for such increases, nor if the EOG will give approval. In any case, however, the bill does specify that these increases may only be made when funds are available. Accordingly, no appropriation is necessary for this bill.

VI. Technical Deficiencies:

Section 112.061(6)(a), F.S., currently provides that a Class A or B traveler, i.e., an overnight traveler, may receive either \$50 per diem, or if actual expenses exceed \$50, the traveler may receive, “. . . the amounts permitted in paragraph (b) for meals . . .” plus lodging costs. Paragraph (b) of the subsection provides that \$3 for breakfast, \$6 for lunch, and \$12 for dinner may be received as “subsistence” while on Class C travel.

The bill amends paragraph (c) of the subsection to provide that “subsistence” amounts may be increased by 25 percent under certain circumstances. Due to the section’s inconsistent use of the terms “meals” and “subsistence” in subsections (a) and (b), it may be clearer for the bill to be amended to state that the agency may increase, “the amounts provided in paragraph (b) by up to an additional 25 percent for any class of travel,” so that it is clear that all amounts for

subsistence/meals provided in paragraph (b) may be increased notwithstanding the class of travel involved.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Governmental Oversight and Productivity:

Substitutes the phrase “amounts in paragraph (b)” for the term “subsistence.”

This Senate staff analysis does not reflect the intent or official position of the bill’s sponsor or the Florida Senate.
