

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 2016
Version:	Committee Substitute
Author:	Representative Miller
Date:	March 4, 2009
Impact:	Estimated Travel Savings - \$412,000 - \$1,240,000 Annually

Bill Summary

Fiscal Summary

Fiscal Analyst: Terry McKenna

The Committee Substitute for HB 2016, requires each state agency, board, commission or other entity organized within the executive department of state government to use the Trip Optimizer system of the Department of Central Services in computing the optimum method and cost for travel by state employees using a motor vehicle. The Trip Optimizer shall be applicable for purposes of determining the maximum authorized amount of any travel reimbursement for employees of such agencies related to vehicle usage. An agency that employs persons who use personal vehicles as part of their regular duties and who are reimbursed for travel expenses by the agency shall not be required to utilize the Trip Optimizer system with regard to the travel expenses of such employees.

Fiscal Analysis

The Department of Central Services (DCS) assumes 80% of state travel is by employees who use their vehicles 100% of the time and thus would be exempt from the provisions of the measure. Given that assumption, DCS estimates that through the mandatory use of the Trip Optimizer a 10% efficiency could be realized at an estimated \$412,000 annually in savings to State.

Automobile rental industry analysis which assumes that employee reimbursement is the best cost option 30% of the time and car rental the best option 70% of the time shows that an annual savings of \$1.2 million might be expected:

Total Reimbursable mile = 5.2 million miles
Total days @ 150 miles average trip = 34,368 days;
Rental costs @ \$40 per day = \$1.4 million
Cost of Employee Reimbursement = \$2.6 million.
Potential Savings of 9.4% = \$1.2 million

The DCS assumption that 20% of state employees would be required to use the Trip Optimizer was applied to the industry analysis. It should be emphasized that the industry analysis does not include the state fleet option provided for in the Trip Optimizer. The DCS lease rate is 46.3 cents per mile.

Long Term Fiscal Considerations

The State of Missouri has mandated the use of a Trip Optimizer since 2005. Expenditures for personally owned vehicle reimbursement in Missouri have dropped for the third straight year under the mandate which requires employees to use the least costly travel option. The state of Oklahoma is likely to realize a similar savings in travel reimbursement costs.

Fiscal Analysis Reviewed By:

Janice Buchanan

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