

**BILL SUMMARY**  
1<sup>st</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 2016</b>
<b>Version:</b>	<b>Proposed Committee Sub (7004)</b>
<b>Author:</b>	<b>Representative Miller</b>
<b>Date:</b>	<b>February 25, 2009</b>
<b>Impact:</b>	<b>Estimated Travel Savings - \$412,000 - \$1,240,000 Annually</b>

**Bill Summary**

Research Analyst: Dante Giancola

The Proposed Committee Substitute for HB2016 requires each state agency, board, commission or other entity organized within the executive department of state government to use the Trip Optimizer system of DCS when computing the optimum method and cost for travel by state employees using a motor vehicle. This applies to motor vehicles that are owned or leased by the agency or by the employee. However, this section of law does not apply to a person who uses his or her personal vehicle as part of their regular duties and who is reimbursed for travel expenses by the agency.

**Fiscal Summary**

Fiscal Analyst: Terry McKenna

The Proposed 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**

This fiscal analysis is preliminary and will be refined as the assumptions employed by the Department of Central Services (DCS) and vehicle rental industry analyses are further studied and tested.

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.

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 employee 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.

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. Employees who choose to use their personal vehicles, even when a lower cost state vehicle is available, are only reimbursed at the reduced fleet rate. Meetings have been held around the state to educate employees in the use of the Trip Optimizer.

### **Long Term Fiscal Considerations**

As Stated Above

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director