

STORAGE NAME: h1965.frc.doc
DATE: February 25, 2002

HOUSE OF REPRESENTATIVES
FISCAL RESPONSIBILITY COUNCIL
ANALYSIS

BILL #: HB 1965 (PCB FRC 02-16)
RELATING TO: State Vehicles
SPONSOR(S): Fiscal Responsibility Council and Representative Dockery

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) FISCAL RESPONSIBILITY COUNCIL YEAS 21 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill implements the Legislative Budget Commission's zero-base budget review recommendations related to state-owned and operated motor vehicles.

It provides clarification on the fee structure authorized for the Executive Aircraft Pool in the Department of Management Services (DMS). It also requires an annual audit of motor vehicle utilization by each agency Inspector General and establishes a statewide commuter mileage policy for motor vehicle usage.

The commuter mileage policy is estimated to save approximately \$106,000 statewide through employee reimbursements to various state funds.

The bill provides an effective date of July 1, 2002.

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II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

- Executive Aircraft Pool - The DMS operates three passenger aircrafts to provide on-demand executive air transportation for the Governor, Lt. Governor, House Speaker, Senate President, Cabinet Officers, the Chief Justice of the Supreme Court, and other state officials. Other state employees are provided service based on space availability. Cost-recovery for the Pool is provided through fee charges to the agencies that use the service. The current law states that the charge cannot exceed the vehicle-mileage allowance and that the fee charged is to fund fuel, maintenance, or other costs. Currently, DMS charges the agencies a user fee, to include total direct and indirect costs to operate the aircraft pool, assessed on each agency's prior year use of the pool. Language to implement the General Appropriations Act provides changes to section 278.161, F. S., to allow the fee to exceed the vehicle-mileage allowance and to require full cost of the program, less available funds.
- Commuter Mileage Policy - The State has no set policy for commuter mileage for state employees; therefore, each state agency sets the individual policy or guideline on employee commuter mileage. Some employees have unlimited or some mileage allowance, while others are prohibited from incurring commuter mileage on state-owned vehicles. The Office of Program Policy Analysis and Government Accountability (OPPAGA) is currently reviewing vehicle usage and their research shows that 1,495 employees incurred reported commuter mileage. The median annual commuting mileage was 3,750 miles with an average computed at 4852. Based on their research findings it is estimated that 7.2 million commuter miles are incurred statewide annually. If no commuter miles were allowed, \$576,000 would be recovered annually if the reimbursement rate was set at 8 cents per mile. If a 30-mile per day allowance was implemented, \$106,000 would be recovered statewide. A reimbursement of 8 cents per mile should cover the normal operating cost of the vehicle, although, it would not cover the cost of ownership. Other states have various policies and procedures. Some use the IRS allowance of \$.345 per mile and some use their reimbursement rate for personal vehicles used for state business. The State of Florida's mileage reimbursement rate is \$.29 per mile.
- Vehicle Utilization - During fiscal year 2000/01, each agency was required, by section 287.17(5), F. S., to conduct a review of motor vehicle utilization and provide a copy of the review to OPPAGA. OPPAGA is in the process of analyzing the cost/benefit of vehicle usage and ownership. In 1998, they found that many state-owned vehicles were assigned to employees who drove fewer than 10,000 miles per year for state business, while some drove

their personal vehicles in excess of 15,000 miles and were reimbursed 29 cents per mile. DMS has, subsequently established breakeven mileage rates at 12,500 for compacts and 15,500 for mid-size vehicles. The agencies are not currently required to routinely assess and report on vehicle utilization.

EFFECT OF PROPOSED CHANGES:

- Executive Aircraft Pool - The bill amends section 287.161, F. S., to allow DMS to set a fee that exceeds the vehicle mileage allowance and to include all direct and indirect costs of the service in the fee calculation. This will authorize DMS to set a fee at full-cost recovery and eliminate the need for recurring language to implement the General Appropriations Act.
- Commuter Mileage Policy - The bill amends section 287.17, F. S., to limit qualifying employees to 30 commuter miles during the work day and require the employee to reimburse the state agency 8 cents per mile in excess of the 30-mile limit. It provides exclusions and allows the agency head discretion to make exceptions. It also requires DMS to provide in rule standard policy guidelines including a reporting and reimbursement form to be used statewide.
- Vehicle Utilization - The bill amends section 287.17, F. S., to require each state agency's inspector general to conduct an annual review of motor vehicle utilization to determine the cost-effectiveness of vehicle assignment and utilization within the agency.

C. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends subsections (2) and (3) of section 287.161, F. S., to allow the Department of Management Services to set fees for the use of the executive aircraft pool to recover all costs of operating the aircraft management activities.

Section 2. Amends subsection (3) of section 287.17, F. S., to set a commuter mileage policy to allow qualifying employees to incur 30 commuter miles during the work day and require reimbursement for excess miles; provides exclusions; allows agency head discretion to make exceptions; and requires DMS to provide in rule standard guidelines and a form for statewide use. Amends subsection (5) of section 287.17, F. S., to require each state agency's inspector general to conduct an annual review of motor vehicle utilization and to report findings and recommendations to the agency head by December 31 each year.

Section 3. Provides an effective date of July 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Reimbursement for vehicle usage should total approximately \$106,000 annually deposited into various funds.

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the revenue raising authority of counties or municipalities.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percent of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

Authorizes DMS to establish by rule standard policy guidelines and a reporting and reimbursement form to be used statewide for commuter mileage allowance.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

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VII. SIGNATURES:

FISCAL RESPONSIBILITY COUNCIL:

Prepared by:

Staff Director:

Marsha Belcher

David Coburn