



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
HB0208 - Revise laws relating to state employee travel (Marshall, Ron)	
Status:	As Introduced

- | | | |
|-----------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	\$0	\$0	\$0	\$0

Description of fiscal impact: HB 208 revises state employee travel rules including changes to required documentation, procurement card use, and the travel approval process. This bill has no fiscal impact to the state.

Fiscal Analysis

Assumptions:

1. HB 208 requires approval of a department director for in-state travel. State policy currently requires department director approval for out-of-state and foreign travel. Additional required approvals at the department director level will increase the workload of department directors.
2. Statutory amendments in the bill state that “a state agency may not pay an employee’s travel costs to attend a function that does not benefit the state.” State policy currently states “No state agency shall pay an employee’s travel cost to attend a function that does not benefit the state.” So, there will be no fiscal impact for this provision.
3. Additional amendments in the bill requires “all reimbursable expenses must be supported by a receipt, regardless of the amount.” Currently, state policy does not require a receipt for reimbursable expenses with a value less than \$25. This requirement may increase staff time to prepare and process reimbursement requests.
4. The addition in section 1(3)(e) states that “state procurement cards are to be used only for air travel, lodging, and rental cars. Current, state policy allows for the use of procurements cards for meals. Meals are paid based on per-diem rates set in 2-15-501, MCA. If an employee’s meal cost exceeds the per diem rate, the employee

must reimburse the state, per state policy. With HB 208, employees would need to pay for their own meals and seek reimbursement or request a travel advance.

5. Section 1(3)(f) states that “if a state of Montana employee is performing work for another state or organization and travels to perform work for that state or organization, the other state or organization must reimburse the state agency for” the travel costs. These criteria are currently already set in the state travel policy so there is no fiscal impact from this provision.
6. Further, HB 190 requires that “a state employee traveling on state business who is accompanied by a traveler not on state business shall be responsible for the accompanying traveler’s expenses.” State policy currently only allows for payment of expenses for state employees traveling on state business, so there will be no fiscal impact.
7. Section 1(3)(h) precludes state employees from joining or utilizing frequent traveler programs or promotions while on state business. Current state policy allows employees to participate in such programs as long as the use of such programs does not influence the employees flight or other travel selections to utilize the most economical travel option. State employees would no longer participate in these programs for state travel.
8. The bill also codifies that if a state employee is involuntarily bumped from a commercial air flight, that any free tickets or cash vouchers are the property of the state. This is already one option under state policy, so there would be no fiscal impact.
9. Section 1(3)(k) states that a state employee may not upgrade to business or first class and must travel coach. State employees are required to purchase the most economical travel option, per state policy. It is unlikely that any state employee would find a business class or first-class option that would be less expensive than coach, so no fiscal impact is assumed.
10. Finally, the bill requires that a state employee who purchases their transportation tickets, lodging and meals on a personal card may only be reimbursed at the state rate. For transportation tickets, there would be no fiscal impact because there is no state rate for transportation and employees are only reimbursed for actual costs which must be the most economical method of travel. For meal reimbursement, employees must be reimbursed for these expenses per new section 1(3)(e) of the bill at the state rate. Section 2-15-501, MCA, sets the meal reimbursement rates and that is the amount the state currently reimburses so there is not fiscal impact. For lodging, current state policy advises the employee to get the best rate, which may be less than the state rate in certain circumstances. There should be no fiscal impact. There are some exceptions in state policy that may cause concerns – see technical note.

Technical Notes:

1. In the current state travel policy, there are exceptions to the state rate for lodging for reasons such as lodging facilities at the state rate not available, accessibility or security, emergency, remote location, or law enforcement activity such as undercover work. It appears these options would still be available if the lodging is purchase through a state procurement card, but not available if an employee is reimbursed for payment on their personal card. Not every state employee has a state procurement card. The restrictions related to lodging in Section 1(3)(l) may be cause an employee to be required to pay for the portion of the lodging expense above the state rate out of their personal finances, due to no fault of their own, while traveling for state business.



Sponsor's Initials

1-16-23
Date



Budget Director's Initials

1-16-23
Date