

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 80 - SB 107

February 11, 2013

SUMMARY OF BILL: Effective November 4, 2014, decreases the per diem that a Member of the General Assembly whose principal place of residence is 50 miles or less from the Capitol is allowed to receive by authorizing an expense allowance only for meals and incidentals equal to the allowance granted to federal employees for such expenses in the Nashville area for each legislative day or any day the Member participates in any other meeting or endeavor held in Nashville. If a Member is unable to return home at the conclusion of any such day the Member would be reimbursed for the actual receipted costs of a standard grade hotel room, provided the appropriate Speaker had approved such expenditure. Authorizes such Members to be reimbursed for each mile traveled for each legislative day in Nashville or any Monday, Tuesday, Wednesday, or Thursday that the Member participates in any other meeting or endeavor that is held in Nashville, Such mileage allowance is limited to one round trip per day. Defines "50 miles of the Capitol" to mean the most commonly traveled route between the Member's principal residence and the State Capitol Building.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – Net Impact - \$253,600

Assumptions:

- Under the proposed bill, Members whose principal place of residence is within 50 miles of the Capitol would be allowed mileage reimbursement for each legislative day in Nashville or any Monday, Tuesday, Wednesday, or Thursday that the Member participates in any other meeting held in Nashville. It is assumed these Members will receive per diem for each day they are allowed mileage reimbursement. These Members will receive mileage and per diem for four days a week for twenty weeks.
- Members of the General Assembly currently receive per diem of \$173 (\$107 for lodging and \$66 for meals and incidentals) and mileage reimbursement of \$0.46 per mile. The current per diem is paid to Members automatically for each legislative day or any day the Member participates in any other meeting or endeavor held in Nashville. Per diem is set by the Federal General Services Administration.
- According to the Office of Legislative Administration (OLA), in calendar year 2012, 33 Members living within a 50-mile radius of the Capitol received per diem for 2,644 days resulting in a total cost of \$457,757.
- Under the proposed bill, these Members would only be eligible to receive an expense allowance only for meals and incidentals equal to the allowance granted federal

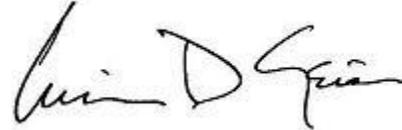
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employees for such expenses in Nashville. The current allowance for meals and incidentals is \$66 per day resulting in a cost of \$174,240 (\$66 x 33 Members x 4 days x 20 weeks).

- The savings to the legislative budget as a result of the reduction in per diem from \$173 to \$66 will be \$283,517 (\$457,757 – \$174,240).
- According to OLA, in calendar year 2012 a total of \$25,747 was paid in mileage reimbursement for 33 Members living within a 50-mile radius of the Capitol. Members of the Davidson County Delegation do not currently receive mileage reimbursement but would under the proposed bill. Estimate assumes 33 Members would now receive mileage reimbursement for four days per week for an average of 20 weeks. The cost for one round trip for these 33 Members is \$695.60 and for four round trips the cost is \$2,782.40 (\$695.60 x 4). Under the proposed bill, these Members would receive a total of \$55,648 (\$2,782.40 x 20 weeks) resulting in an increase in expenditures for the legislative budget of \$29,901 (\$55,648 - \$25,747).
- The net impact to state expenditures would be a reduction of \$253,616 (\$283,517 - \$29,901) for per diem and mileage reimbursement for Members within a 50-mile radius.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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