

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 556

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Requires Oregon Department of Administrative Services to adopt by rule tiered rate schedule for reimbursement by state agency of mileage expenses of persons using privately owned motor vehicle while conducting state business.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Statewide

Summary of Fiscal Impact:

Indeterminate, please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The fiscal impact of the measure is indeterminate. The bill requires the Department of Administrative Services to establish a tiered mileage reimbursement rate schedule for the use of privately owned vehicles while conducting state business with specific differentiating criteria regarding the availability and dedication to use of state-owned vehicles. The measure requires that reimbursement rates adopted by the department must be equivalent to the reimbursement rates established by the U.S. General Services Agency (USGSA). The USGSA reimbursement rate for the use of a privately owned vehicle is \$0.19 per mile or 37.25% of the \$0.51 per mile rate when no government owned vehicle is available. DAS's current reimbursement rate for the use of privately own vehicles is \$0.51 per mile regardless of whether a state owned vehicle is available Although the measure requires reimbursement rates adopted by DAS to be equivalent to the USGSA rates, the rates themselves are not specified by the bill and may vary from these stated amounts. For context, DAS reports that state agencies spent nearly \$5 million on personal mileage reimbursements in 2010.

The future usage mix of vehicles resulting from the tiered mileage reimbursement rate schedule is unknown and while a reduction in the personal vehicle rate may reduce the reimbursements to individuals paid by agencies, the increased demand for and associated cost of, state owned vehicles may equal or exceed the savings in reimbursements. Therefore, a comparison between the current costs and potential costs even using historical data is unlikely to produce an accurate result.

In addition, the bill specifically states that reimbursement rates for the use of privately owned motorcycles and airplanes must to be established. Current statewide travel policy does not specifically address airplanes, but does state that "private specialty vehicles, including motorcycles, and private off-road vehicles shall not be used for state business except to the extent that an agency determines that necessary state business cannot reasonably be accomplished without the use of the particular private vehicle". It is uncertain whether or not the specific reimbursement provision will be conflict with or perhaps drive changes to that policy.

