

SUBJECT: Allowing cities to buy airline tickets through state's travel service contract

COMMITTEE: Government Reform — favorable, without amendment

VOTE: 6 ayes — Swinford, Gallego, Allen, Callegari, Casteel, T. Smith

0 nays

1 absent — R. Cook

WITNESSES: For — Brandon Aghamalian, City of Fort Worth

Against — None

BACKGROUND: Government Code sec. 2171.055 requires state executive branch agencies to purchase discounted airline tickets and other travel services through a general state contract negotiated and administered through the Texas Building and Procurement Commission. State colleges and universities, as well as the Employees Retirement System of Texas, are not required to participate in the program, but these agencies may choose to purchase travel services through the state contract.

The 75th Legislature in 1997 enacted HB 255 by Denny that allowed sheriffs, deputy sheriffs, or juvenile probation officers transporting prisoners to use the state's travel agency contract to obtain lower airfares. Other county employees were authorized to travel on official business through the state's reduced airfare contract after the 76th Legislature in 1999 enacted SB 204 by Carona.

DIGEST: HB 1061 would amend Government Code, sec. 2171.055 to permit city employees and elected officials traveling on official municipal business to book airfares and other travel services, such as hotels or rental cars, through the state's travel program. The bill would also allow the Building and Procurement Commission to charge a fee — not to exceed actual costs — to participating municipalities for use of the state travel program. Other provisions would require a periodic review of those fees and would require that they be used only to administer this program.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS
SAY:**

HB 1061 would allow cities the same opportunity as state agencies and counties to save taxpayer money when paying for airline tickets and other travel expenses. Currently, Texas municipalities do not have access to a “government rate” on airline tickets, and municipal elected officials and employees must pay full price. Those purchasing airline tickets through the state contract can fly from Dallas to Austin for \$37, but city officials pay \$100 for the same one-way ticket. Such discounts would save millions of dollars for Texas cities, including an estimated \$1.2 million for Houston, \$800,000 for Dallas, and \$400,000 for Fort Worth. Citizens want tax money spent on essential public services and not on overhead and administrative expenses such as travel.

HB 1061 would provide additional savings on travel expenses for the state and counties as well because the pool of likely users would be nearly doubled by adding city employees. The Texas Building and Procurement Commission would be in better position to negotiate with airlines and other travel service providers for more favorable rates, and these discounts could be more advantageous than individual state agencies, counties, or cities could obtain by themselves.

Requiring cities to form a separate negotiating pool through the councils of government or non-governmental associations such as Texas Municipal League would be inefficient and duplicate existing programs, further wasting taxpayer money. There is no need to create a separate entity, whether public or private, to administer a travel program for cities. Ultimately, the same Texans are state and city taxpayers, and they want to see their tax dollars spent wisely.

**OPPONENTS
SAY:**

Even though saving tax money is important, HB 1061 would blur the line between local and state government and violate the principle of limited government. Local governments could leverage their purchasing power for airline tickets and travel services by contracting with regional councils of government rather than with a state agency.

NOTES:

On March 20, the Senate Intergovernmental Relations Committee reported the companion bill, SB 304 by Brimer, favorably without amendment.

On March 10, the House Government Reform Committee reported favorably a related bill, HB 898 by Hamilton and Giddings, that would allow public junior colleges and school districts to participate in the state travel program.