

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>17-2155/1</b>	Introduction Number <b>AB-0220</b>
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**Description**  
 reimbursement for lodging expenses for employees of the University of Wisconsin System

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> UWS/ Adrienne Eccleston (608) 262-5850	<b>Authorized Signature</b> Renee Stephenson (608) 263-4422	<b>Date</b> 4/28/2017
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## Fiscal Estimate Narratives

UWS 4/28/2017

LRB Number	17-2155/1	Introduction Number	AB-0220	Estimate Type	Original
<b>Description</b> reimbursement for lodging expenses for employees of the University of Wisconsin System					

### Assumptions Used in Arriving at Fiscal Estimate

Wisconsin Statute §36.11(56) allows the Board of Regents of the University of Wisconsin System to establish travel policies for UW System employees and to create a schedule for the reimbursement of UW System employees for travel expenses.

Under Assembly Bill 220, the UW System's schedule for reimbursement of lodging expenses within the state of Wisconsin could not exceed the maximum rate for the area under the approved uniform travel schedule incorporated into the current state compensation plan. The maximum lodging rates per day for counties other than Milwaukee, Racine, and Waukesha is \$82 and the maximum permitted for Milwaukee, Racine, and Waukesha is \$90.

Wisconsin Statute §36.11(56) allowing the Board of Regents to establish travel policies for UW System employees was passed in 2013. After considerable deliberation and careful planning, the UW System Administrative Policy 415 on the Purchase and Payment of Lodging was implemented in October of 2015. Under this current policy, the UW System lodging rate maximums are based upon federal rates in use by most higher education peers, granting agencies, and the corporate sector. Rates are established and updated annually by the federal government (General Services Administration (GSA)). These rates take into consideration the changes in season and market, allowing the UW System to be adjust its rates during both peak and non-peak travel times.

This bill may result in savings from reduced hotel rates in some cases. However, overall travel costs may increase in some cases as well.

The UW System has contracts in place with a number of hotels in Wisconsin. These rates were obtained by working in partnership with and leveraging the purchasing power of other organizations, such as the Big Ten Alliance, General Services Administration, and the National Association of State Procurement Officers. As a provision of these agreements, hotels are required to offer rooms at the state rates, if they are offered. Many of these contract rates include additional benefits such as free parking or meals that would impact other reimbursable expenses. Lower reimbursable hotel rates may also result in booking less desirable accommodations that are further from where an employee will be conducting UW business, leading to additional taxi fares or other travel expenses.

In addition, lower reimbursable hotel rates will make searching for accommodations less efficient and result in more time being spent finding lodging that fit within these rates. Employees that search for and book accommodations have a wide range of salaries and the time spent finding accommodations may also vary depending on availability due to season and market.

### Long-Range Fiscal Implications