



#610  
August 15, 2017

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Report to the Mississippi Legislature

## A Review of State Travel Expenses for Fiscal Years 2015 and 2016

## **PEER: The Mississippi Legislature's Oversight Agency**

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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Honorable Philip Gunn, Speaker of the House  
Members of the Mississippi State Legislature

On August 15, 2017, the PEER Committee authorized release of the report titled  
*A Review of State Travel Expenses for Fiscal Years 2015 and 2016.*

A handwritten signature in cursive script that reads "Richard Bennett".

Representative Richard Bennett, Chair

**This report does not recommend increased funding or additional staff.**



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# A Review of State Travel Expenses for Fiscal Years 2015 and 2016

## Executive Summary

### Introduction and Background

In times when states' revenue and growth fail to meet forecasted estimates, state agency travel budgets receive additional scrutiny. This increased attention often results from the perception that state agency travel is an area that could be susceptible to misuse or inefficient use of state dollars and subject to cutbacks. Thus it is critical that states manage expenses (including travel) and ensure that they adhere to established guidelines and follow best practices.

For this report, PEER sought to review state travel expenditures by agency, funding source, and broad category of travel type (in-state, out-of-state, and out-of-country) for fiscal years 2015 and 2016. In addition, PEER reviewed the methods the Mississippi Department of Finance and Administration (DFA) utilizes to control travel expenditures for state agencies; compared Mississippi's travel expenditures to those of neighboring states; and examined various best practices that other states administer nationwide to control travel costs.

PEER obtained total travel expense information for FY 2012 through FY 2016 from the Department of Finance and Administration in order to identify some of the spending habits of state agencies over the past several fiscal years. However, because of a change in reporting and accounting software in FY 2014 (implementation of MAGIC, which utilizes a new data coding structure for funding and general ledger expenses), detailed travel expenditures by agency and fund source are provided for FY 2015 and FY 2016 only.

## Total State Travel Expenditures

Total dollar amounts spent for state travel remained relatively consistent from fiscal years 2012 through 2016. Although expenditures peaked in FY 2014, total dollar amounts expended actually declined about 0.6% in FY 2016 compared to FY 2012.

Exhibit A: Total Dollar Amount Spent on State Travel (FY 2012–FY 2016)\*

Fiscal Year	Total Dollar Amount	Budgeted Amount <sup>1</sup>
2012	\$38,445,707	\$42,738,117
2013	\$41,611,629	\$45,279,621
2014	\$41,910,806	\$43,910,942
2015	\$37,437,836	\$44,932,223
2016	\$38,212,831	\$47,132,529

\*Institutions of Higher Learning (IHL) is treated as a component unit. According to the DFA, while IHL does receive state funding, it functions autonomously through an external independent accounting system. Therefore, the numbers in the exhibit do not reflect all of IHL's travel expenses.

SOURCE: The Department of Finance and Administration and the Legislative Budget Office.

### Funding Sources for State Travel Expenditures

Grants and federal funds were the single largest funding source for state travel expenditures, accounting for approximately 42.6% and 42.8%, respectively, followed by special fund and general fund monies.

### Comparison of Travel Expenditures by Location of Travel

In-state travel represented the majority of state travel expenditures for both fiscal years 2015 and 2016, accounting for approximately 81% and 80.9%, respectively. Approximately 18.5% in FY 2015 and 18.8% in FY 2016 was expended on out-of-state travel, whereas out-of-country travel accounted for 0.5% or less for the two fiscal years.

### State Agencies with the Highest State Travel Expenditures

For both FY 2015 and FY 2016 the state agencies that spent the most on travel were largely unchanged. The agencies with the highest travel expenditures were the Department of Human Services and the Department of Health, which, for both, the majority of travel expenses occurred in-state. See Exhibit B page vii.

<sup>1</sup> Budgeted amounts are the agency-reported estimates of travel expenditures based on their lump-sum appropriation. Figures are not actual travel expenditures and include all sources of revenue.



**Exhibit B: Top 10 State Agencies with the Highest Overall Total Travel Expenditures for FY 2015 and FY 2016**

FY 2015			FY 2016		
	Agency	Total Spent		Agency	Total Spent
1.	Department of Human Services	\$9,341,916	1.	Department of Human Services	\$9,767,072
2.	Department of Health	\$5,915,756	2.	Department of Health	\$5,666,555
3.	Department of Transportation	\$1,952,890	3.	Department of Transportation	\$2,062,773
4.	Department of Revenue	\$1,908,386	4.	Department of Education	\$1,858,988
5.	Department of Education	\$1,623,592	5.	Department of Revenue	\$1,692,079
6.	Department of Rehabilitation Services	\$1,315,908	6.	Department of Rehabilitation Services	\$1,650,336
7.	Banking and Consumer Finance	\$1,246,913	7.	Banking and Consumer Finance	\$1,247,516
8.	MS Development Authority	\$ 928,119	8.	Attorney General	\$1,099,809
9.	Department of Corrections	\$ 711,926	9.	Division of Medicaid	\$ 838,744
10.	Department of Public Safety	\$ 642,480	10.	MS Development Authority	\$ 776,187

SOURCE: PEER analysis of data provided by the DFA.

**Individuals with the Highest State Travel Expenditures**

The data reflected that the highest expenditures for in-state travelers ranged from approximately \$17,316 for a position at the Division of Medicaid to \$35,345 for a position at the Department of Human Services. Top out-of-state traveler expenses ranged from approximately \$6,177 for a position at the Board of Nursing to \$40,819 in travel expenses for a position at the Department of Revenue.

**Current State Travel Policies**

In reviewing travel policies from other states, PEER identified some essential elements of travel best practices for managing costs and ensuring that expenditures are in compliance. Mississippi’s state travel policies mirror those found nationwide.

Some of the essential elements representing travel best practices include the following:

- a preapproval process that employees must follow to obtain authorization/approval to attend conferences and training;
- a defined list of typically reimbursable expenses (e.g., hotel room charges, mileage allowances, and meals) and a defined list of non-reimbursable expenses (e.g., in-room movies and alcoholic beverages);

- guidelines defining when day trips versus overnight trips are appropriate and descriptions of what types of travel expenses are typically reimbursable for each type of trip;
- general maximum reimbursement rates for various types of travel expenses, including a maximum rate for lodging and meals and, where appropriate, the conditions under which exceptions to these maximums will be granted;
- mileage reimbursement rates for employee use of personal vehicles while on official business;
- required documentation (including original receipts) to be submitted to support travel expenses;
- a clear explanation that employees may be personally responsible for improper costs incurred and an explanation of how these costs will be recovered, if necessary;
- descriptions of the process that employees must follow to be reimbursed for allowable travel expenses;
- a statement communicating to employees that their travel expenses are paid for with public funds and that they should exercise due care while incurring travel expenses; and
- procedures to be followed by the auditing body (or auditing official) when examining travel claims, including steps to be followed when certain reimbursement claims are disallowed.

## **Opportunities for Improvement in Managing State Travel Expenditures**

**Although DFA travel policies contain many elements reflective of travel policies nationwide, additional policy changes would allow for more detailed data collection and data-driven decisions in the future.**

### **Comprehensive Travel-Related Data Reporting**

DFA travel management data systems have the ability to collect and maintain historical travel-related data across all agencies. However, in order to produce a comprehensive statewide fiscal year-end travel expenditure report that includes each agency's total travel expenses segregated by travel type and commitment item, the DFA has to extract data from multiple systems. For example, the initial travel-related expenditure data set that PEER requested from the DFA varied by travel commitment item on an agency-by-agency basis depending on the data source of the expenditure. In order for the DFA to analyze and directly compare travel expenses among state agencies by travel commitment item, it must ensure that a consistent set of general ledger codes are utilized for each agency.

## **Analysis and Auditing of Travel Expenditures**

The Department of Finance and Administration performs post-audits to ensure that required travel documentation has been submitted, but these audits focus primarily on ensuring legitimate reimbursements that comply with state policy and state laws and not on how agencies and staff could better manage travel expenditures. While MAGIC can capture certain data needed to adequately monitor travel expenses, the DFA does not use the system to routinely produce reports necessary to analyze such data to drive state travel policy changes.

## **Ensuring the Most Efficient Mode of Transportation**

Passed during the 2017 Legislative Session, House Bill 938 requires that state agencies use a trip optimizer system to determine whether it would be more cost efficient to rent a car or reimburse for mileage if a roundtrip exceeds 100 miles. This requirement became effective July 1, 2017.

## **Evaluating the Need for Travel Agencies**

While the Department of Finance and Administration has recently taken steps to make travel agent fees more uniform and to have travel agents to submit their state expenditure logs in a consistent format (e.g., fiscal year time period, type of service provided, number of transactions), the DFA should ensure that it can identify and compare the total amount spent in fees by agent. Furthermore, the DFA should evaluate these fees to identify potential areas for cost savings, such as additional reductions in the fee amounts or even to determine the necessity to continue to use travel agencies in the future.

## **Recommendations**

1. In order to improve the reporting of state travel expenditures, the Department of Finance and Administration should periodically monitor travel-related information entered by state agencies into the state's accounting system to ensure that such information is entered in appropriate and sufficient detail to allow analysis and reporting of travel expenditures.
2. Using its authority granted through MISS. CODE ANN. § 27-104-103(1) (1972) to "review and monitor" government and agency expenditures and manage the state's fiscal affairs, the Department of Finance and Administration should

- a. enforce travel policies at the agency level by performing random and scheduled audits to help determine how agencies and staff could better manage travel expenditures. This should include random audits for travel less than \$1,000. These audits should be performed in addition to what is currently done to ensure that required documentation is submitted.
  - b. routinely analyze travel data for trends in order to identify areas for cost reductions, identify opportunities for tighter cost controls, and to provide state agencies with useful information for decision making.
  - c. routinely review the implementation of the trip optimizer system established by MISS. CODE ANN. § 25-3-41 (1972) and report on any cost savings at least annually.
  - d. annually evaluate and review the use of state-contracted travel agencies, such as travel agent fees, types of tickets booked, whether tickets are booked in a group or solo, etc.
  - e. periodically review *State Travel Policy Rules & Regulations* for additional areas for potential improvements in the efficiency of travel-related expenditures.
3. DFA vendor/travel agent contracts should require vendors/travel agents to report travel-related data in a consistent electronic format that details the amount spent on travel agent fees for each type of booking (e.g., airline, Amtrak, lodging, etc.). These data should be kept on a historical basis, readily available to the Department of Finance and Administration and other oversight agencies, and in a consistent and uniform manner so they can be easily analyzed.
  4. To inform the Legislature regarding certain expenditures in the state budget, the Department of Finance and Administration should produce annually a fiscal year-end travel expenditure report that includes each agency's total travel expenses segregated by travel type (in-state, out-of-state, and out-of-country) and commitment item (meals, lodging, transportation). By September 15 of each calendar year, the DFA should provide the report to the Senate and House Appropriations committees; Senate and House Accountability, Efficiency and Transparency committees; and the Joint Legislative Budget Committee. Such a report would be similar to the one required of the State Personnel Board to report annually on salary increases provided to state employees (see MISS. CODE ANN. § 25-9-148).

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# A Review of State Travel Expenses for Fiscal Years 2015 and 2016

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## Introduction

### Authority

The PEER Committee reviewed state travel expenses for fiscal years 2015 and 2016. The Committee acted in accordance with MISS. CODE ANN. § 5-3-51 et seq. (1972).

### Scope and Purpose

Prior to the 2017 Regular Session, the Legislature established several legislative tax and budget review committees to examine spending for the state's largest agencies. For each of the agencies examined, one area of budget review meetings focused on agency travel expenditures and policies. The committees questioned each agency's leadership to determine whether opportunities exist for more efficient travel management policies and practices that could result in savings to the agencies and the state.

PEER sought to review state travel expenditures by agency, funding source, and broad category of travel type (in-state, out-of-state, and out-of-country) for fiscal years 2015 and 2016. In addition, PEER reviewed the methods the Mississippi Department of Finance and Administration (DFA) utilizes to control travel expenditures for state agencies; compared Mississippi's travel expenditures to those of neighboring states; and examined various best practices that other states administer nationwide to control travel costs.

### Scope Limitations

With the state's 2014 launch of MAGIC (Mississippi's Accountability System for Government Information and Collaboration), the statewide accounting and procurement system of record, PEER limited this review of travel expenses to fiscal years 2015 and 2016. PEER staff originally sought to review a five-year window of travel-related expenditures. However, the data for fiscal years 2012 through 2014 are held in a separate data system (Statewide Automated Accounting System), which utilized a legacy data coding structure for funding and general ledger expenses prior to the implementation of MAGIC;

thus, only the total amount expended on travel has been provided for comparison for those years.

During the course of this analysis, PEER identified multiple inconsistencies in both the travel-related data collected and the formats in which these data were reported. These inconsistencies prevent any detailed comparisons of specific data among agencies (e.g., travel expenditures by commitment item, such as meals or lodging, or total travel agent fees paid through each state-contracted travel agency).

Therefore, PEER reviewed state travel expenditures to provide a profile of total expenditures from a general perspective, not for the purpose of verifying or validating the necessity of travel based on an individual agency's mission, goals, or training needs nor to perform an audit of how travel funds are expended. PEER reviewed only the statewide travel policy and procedures established by the Department of Finance and Administration and not any additional agency-specific policies and procedures.

## Method

In conducting this review, PEER

- reviewed travel expenditure reports obtained from the Department of Finance and Administration;
- interviewed personnel of the Department of Finance and Administration;
- reviewed the DFA travel policy manual (*State Travel Policy Rules & Regulations*);
- interviewed personnel at the Legislative Budget Office;
- researched nationwide best practices for controlling costs in state travel programs;
- interviewed finance and administration agency equivalents in contiguous states; and
- interviewed personnel board agency equivalents in contiguous states.



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## Background

State employees often must travel to adequately fulfill the requirements of their positions (i.e., the mission of the agency and nature of the work). How travel expenses are monitored and managed can play a critical role in a state's bottom line.

This chapter examines the importance of monitoring and managing state travel expenditures and Mississippi's travel expenditures in context with those of neighboring states.

### Why Managing State Travel Expenses Is Important

**In times when state revenue and growth falls below forecasted estimates, state agency travel budgets receive additional scrutiny. This increased attention often results from the perception that state agency travel is susceptible to misuse or inefficient use of state dollars and subject to cutbacks. Thus it is critical that states manage expenses (including travel) and ensure that they adhere to established guidelines and follow best practices.**

Previous PEER report #407 (*Managing Travel Expenditures; July 2000*) identified missed opportunities for better management of travel expenditures by the State of Mississippi that prevented agencies from handling state resources most responsibly. Among these findings, the report noted the following:

- The state did not have a system for obtaining comprehensive travel-related data, which is necessary for managing state travel costs.
- The Department of Finance and Administration had no established management information system for routinely analyzing travel data to ensure compliance with laws and policies or to identify and address increases in travel expenditures.

Prior to the implementation of MAGIC, travel-related data were entered into the Statewide Payroll and Human Resources System (SPAHRS) and then expenditure data posted in the Statewide Automated Accounting System (SAAS). Currently, travel-related data are still entered in SPAHRS, and the expenditures are posted into MAGIC. One purpose of moving to the current accounting system (MAGIC) was its ability to produce more detailed reports.

Although changes addressing data collection and analysis have since been made to Mississippi's travel policies (see discussion pages 11-20 regarding the current system used), if all necessary guidelines and policies are not in place or followed, the state could forfeit a significant dollar amount. Each year Mississippi is challenged to create agency budgets without an abundance of funds but that within those constraints still allow the agencies to carry out their missions. The difficulty of executing budgets under these

conditions requires closer attention to all expenses—especially travel expenses, an area susceptible to misuse and inefficient use of state dollars and some of the first to be questioned in lean budget years.

Determining total dollar amounts that could have been spent more efficiently while traveling on state business each year presents difficulty because there appears to be little published research regarding state travel budgets and expenditures. However, certain states have identified areas within their agencies where opportunities to effectively manage travel were missed and state dollars were forfeited. In California, according to a *Los Angeles Times* article published in 2016,<sup>2</sup> California state auditors reported that \$397,000 had been identified in gifts not disclosed, wasted funds related to improper travel expenses, and mismanagement. Although this amount may seem small when compared to the total budget of a state the size of California, it exemplifies that there is ample room to improve efficiency in the use of taxpayer dollars.

Also, in 2012 the Office of the New York State Comptroller performed a series of audits on travel expense management and made several changes to its policies after finding a series of improper uses of travel, including the following:

- a lack of travel policies and inadequate travel policies, including a lack of guidance on the types of expenses reimbursable and general maximum reimbursable amounts;
- failure to obtain governing board approval before attending conferences;
- purchase of alcohol with taxpayer dollars;
- extension of trips after conferences for personal reasons at the state's expense;
- payment of spousal and other nonemployee travel with public funds; and
- reimbursement of travel expenses to employees even though the local government's credit card was used for the expenses.

Because millions of dollars statewide are allocated specifically for travel and related expenses, it is critical that such monies are spent in the most efficient manner. In fact, in fiscal years 2015 and 2016 travel expenditures among state agencies totaled approximately \$37.4 million and \$38.2 million, respectively (the following chapter will contain further detail on expenses for these fiscal years). With travel expenses commonly described as “controllable,” state leaders must make every effort to set, follow, and enforce guidelines to protect the funds set aside for state travel purposes.

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<sup>2</sup>McGreevy, Patrick. “Waste, ethics violations by state workers uncovered by auditor.” *Los Angeles Times*, August 25, 2016.

## Comparative Look at Contiguous States' Total Travel Expenses

The average total travel expenses among neighboring states is \$36.2 million. When compared with the total dollars expended on travel, Mississippi's travel expenses rank in the middle of the five neighboring states examined.

While review of Mississippi's travel expenditures is the focus of this report, it is often helpful to compare what similar states spend to provide better context. Exhibit 1 provides a comparative look of what surrounding states spent on travel for fiscal years 2015 and 2016.

**Exhibit 1: Total State Travel Expenses in Contiguous States, Fiscal Years 2015 and 2016\***

State	Number of State Employees**	FY 2015 Total State Agency Travel Expenses	FY 2016 Total State Agency Travel Expenses
Mississippi	29,643 (2016)	\$37,437,836	\$38,212,831
Alabama	30,402 (2015)	\$40,538,643	\$39,726,353
Tennessee	39,096 (2016)	\$45,900,100	\$45,449,000
Louisiana <sup>3</sup>	39,684 (2016)	\$22,958,220	\$21,639,212
Arkansas	46,365 (2016)	\$35,856,732	\$36,136,227

\*Excludes higher education expenditures.

\*\*Excludes public school and higher education employees.

SOURCE: Compiled from data from the Mississippi Department of Finance and Administration, Mississippi State Personnel Board, Alabama Department of Finance Comptroller's Office, Alabama Personnel Department, Arkansas Department of Finance and Administration, Arkansas Department of Workforce Services, Tennessee Department of Finance and Administration, Tennessee Department of Human Resources, Louisiana Department of State Civil Service, and Louisiana Legislative Auditor.

In fiscal year 2016, Tennessee reported the highest travel expenditures (approximately \$45.4 million) out of the comparison group and Louisiana reported the lowest travel expenditures (approximately \$21.6 million). While each of the respective states' personnel reported travel expenditures that excluded institutions of higher education, Louisiana's travel expenditures also did not include expenses for the judicial or legislative branches.

Total travel expenses of neighboring states, except Louisiana, is not significantly different from Mississippi's total travel expenses. The average of travel expenses among the contiguous states for fiscal year 2016 is approximately \$36.2 million. While Mississippi employs the fewest people in the five-state comparison, it ranks in the middle in total travel-related expenditures for FY 2016. In contrast, Arkansas reported the largest number of state employees and reported the second lowest expenditures.

<sup>3</sup>Louisiana's travel expenditure data provided did not include travel expenditures for higher education or the judicial or legislative branches.

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## Travel Expenses: A Snapshot of Fiscal Years 2012–2016

As stated previously, state agency travel expenditures are often subject to additional scrutiny when state revenue and growth is below forecasted estimates and when agency leadership seeks potential areas to absorb budget reductions and shortfalls. The Mississippi Legislature established legislative tax and budget review committees to look at many of the larger state agency budgets in 2016, with agency travel being one of the focus areas for review.

PEER obtained total travel expense information for fiscal years 2012 through 2016 from the Department of Finance and Administration in order to identify some of the spending habits of state agencies over the past several fiscal years. However, because of a change in reporting and accounting software in FY 2014 (implementation of MAGIC, which utilizes a new data coding structure for funding and general ledger expenses), detailed travel expenditures by agency and fund source have been provided for FY 2015 and FY 2016 only. The following sections briefly highlight state travel expenditures in terms of totals, funding sources, expenditure categories, state agencies that expended the largest amounts on travel, and individual travel.

### Total State Travel Expenditures

**Total dollar amounts spent for state travel remained relatively consistent from fiscal years 2012 through 2016. Although expenditures peaked in FY 2014, total dollar amounts expended actually declined about 0.6% in FY 2016 compared to FY 2012.**

The Department of Finance and Administration provided PEER state travel expenditure totals for fiscal years 2012 through 2016, shown in Exhibit 2 on page 7.

As noted in Exhibit 2, total state travel expenditures peaked in FY 2014 at approximately \$41.9 million. This reflects an increase in spending of roughly 8% between fiscal years 2012 and 2014. In contrast, subsequent fiscal years returned to total travel expenditures that were relatively consistent with FY 2012. In comparison of total state travel expenditures in FY 2012 to FY 2016, there was a reduction of some 0.6%.

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**Exhibit 2: Total Dollar Amount Spent on State Travel (FY 2012–FY 2016)\***

Fiscal Year	Total Dollar Amount	Budgeted Amount <sup>4</sup>
2012	\$38,445,707	\$42,738,117
2013	\$41,611,629	\$45,279,621
2014	\$41,910,806	\$43,910,942
2015	\$37,437,836	\$44,932,223
2016	\$38,212,831	\$47,132,529

\*Institutions of Higher Learning (IHL) is treated as a component unit. According to the DFA, while IHL does receive state funding, it functions autonomously through an external independent accounting system. Therefore, the numbers in the exhibit do not reflect all of IHL's travel expenses.

SOURCE: The Department of Finance and Administration and the Legislative Budget Office.

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In comparing actual expenditures to the amounts budgeted, state agencies expended approximately 90% of the total amount budgeted for travel in FY 2012. Over the five fiscal years examined, when total travel expenditures peaked in FY 2014, actual expenditures accounted for approximately 95% of the amount budgeted for travel. In FY 2016, travel expenditures accounted for approximately 81% of the amount budgeted. PEER cautions that comparing total expenditures to total budgeted amounts is not a method of measuring efficiency. This comparison is meant strictly to provide some context to travel expenditures over the past several years.

### **Funding Sources for State Travel Expenditures**

**Grants and federal funds were the single largest funding source for state travel expenditures, accounting for approximately 42.6% and 42.8%, respectively, followed by special fund and general fund monies.**

Although total travel spending between FY 2015 and FY 2016 was not significantly different (an increase of approximately \$775,000, or 2%), PEER looked at these two fiscal years to identify how state travel was funded, which is important in determining to what extent travel expenses could be more efficiently managed (e.g., the amount funded by general funds). Exhibit 3 on page 8 lists funding sources between FY 2015 and FY 2016.

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<sup>4</sup>Budgeted amounts are the agency-reported estimates of travel expenditures based on their lump-sum appropriation. Figures are not actual travel expenditures and include all sources of revenue.

### Exhibit 3: FY 2015 and FY 2016 Fund Source Comparison

Fund Source	FY 2015	FY 2016
Grant/Federal	\$15,933,233	\$16,365,196
Special	\$11,088,304	\$11,272,047
General	\$10,196,855	\$10,453,976
Other funds*	\$ 154,555	\$ 92,936
Education Enhancement Fund	\$ 64,889	\$ 28,676
<b>Total</b>	<b>\$37,437,836</b>	<b>\$38,212,831</b>

\*Other funds may include the following: Bond Fund, Budget Contingency Fund, Capital Expense Fund, Healthcare Expenditure Trust Fund, Hurricane Disaster Reserve, and Tobacco Settlement Fund.

SOURCE: PEER analysis of data provided by the DFA.

For these two fiscal years, grants and federal funds provided the largest source of funding for state travel, funding approximately 42.6% of all travel expenses in FY 2015 and approximately 42.8% of all travel expenses in FY 2016. Special funds provided 29.5% in FY 2016, and general funds 27.4% in FY 2016. These three categories combined accounted for approximately 99.7% of the funding for travel expenses for FY 2016.

### Comparison of Travel Expenditures by Location of Travel

In-state travel represented the majority of state travel expenditures for both fiscal years 2015 and 2016, accounting for approximately 81% and 80.9%, respectively. Approximately 18.5% in FY 2015 and 18.8% in FY 2016 was expended on out-of-state travel, whereas out-of-country travel accounted for 0.5% or less for the two fiscal years.

PEER reviewed the state travel expenditure data provided by the Department of Finance and Administration to identify where the travel expenditures occurred, i.e., the expense location. Exhibit 4 shows a comparison for in-state, out-of-state, and out-of-country expenses for FY 2015 and FY 2016.

### Exhibit 4: In-State, Out-of-State, and Out-of-Country Travel Expenses, Fiscal Years 2015 and 2016

Expense Location	FY 2015	FY 2016
In-State	\$30,326,353	\$30,907,648
Out-of-State	\$ 6,924,772	\$ 7,179,484
Out-of-Country*	\$ 186,711	\$ 125,699
<b>Total</b>	<b>\$37,437,836</b>	<b>\$38,212,831</b>

\*DFA defines out-of-country travel or international travel as all travel to areas other than the 48 contiguous United States and Alaska.

SOURCE: PEER analysis of data provided by the DFA.

The majority of travel expenditures for both fiscal years 2015 and 2016 resulted from travel that was conducted in-state: 81% in FY 2015 and 80.9% in FY 2016. The second largest expenditures were for out-of-state travel, which accounted for about 18.5% in FY 2015 and 18.8% in FY 2016. Out-of-country expenses accounted for approximately 0.5% in FY 2015 and 0.3% in FY 2016. Appendices A and B on pages 23 through 28 contain a complete list of total travel expenses by broad location of travel (e.g., in-state, out-of-state, and out-of-country) by each state entity.

**State Agencies with the Highest State Travel Expenditures**

For both FY 2015 and FY 2016 the state agencies that spent the most on travel were largely unchanged. The agencies with the highest travel expenditures were the Department of Human Services and the Department of Health, which for both the majority of travel expenses occurred in-state.

PEER reviewed the state travel expenditure data provided by the Department and Finance Administration to identify the state agencies that spent the most on travel for fiscal years 2015 and 2016. Exhibit 5 shows a comparison of the top 10 agencies having the highest overall total travel expenses.

**Exhibit 5: Top 10 State Agencies with the Highest Overall Total Travel Expenditures for FY 2015 and FY 2016**

FY 2015			FY 2016		
	Agency	Total Spent		Agency	Total Spent
1.	Department of Human Services	\$9,341,916	1.	Department of Human Services	\$9,767,072
2.	Department of Health	\$5,915,756	2.	Department of Health	\$5,666,555
3.	Department of Transportation	\$1,952,890	3.	Department of Transportation	\$2,062,773
4.	Department of Revenue	\$1,908,386	4.	Department of Education	\$1,858,988
5.	Department of Education	\$1,623,592	5.	Department of Revenue	\$1,692,079
6.	Department of Rehabilitation Services	\$1,315,908	6.	Department of Rehabilitation Services	\$1,650,336
7.	Banking and Consumer Finance	\$1,246,913	7.	Banking and Consumer Finance	\$1,247,516
8.	MS Development Authority	\$928,119	8.	Attorney General	\$1,099,809
9.	Department of Corrections	\$711,926	9.	Division of Medicaid	\$838,744
10.	Department of Public Safety	\$642,480	10.	MS Development Authority	\$776,187

SOURCE: PEER analysis of data provided by the DFA.

The spending of these 10 state agencies accounted for approximately 68% in FY 2015 and approximately 70% in FY 2016 of total state travel expenditures.

The Department of Human Services and the Department of Health spent the most on travel for both fiscal years. Examination of location of expense revealed that the vast majority of expenses occurred in-state. For example, in FY 2016 the Department of Human Services spent approximately 96.1% of total travel for in-state business while the Department of Health spent approximately 91.1%. Even though PEER did not review specific trips conducted by these two agencies, the finding that the majority occurred in-state is consistent with their respective missions and types of employees (e.g., Department of Human Services social workers).

### **Individuals with the Highest State Travel Expenditures**

**State worker spending on travel for FY 2016 ranged from \$17,316 to \$35,345 for in-state travel and \$6,177 to \$40,819 for out-of-state travel.**

PEER reviewed state travel expenditure data provided by the Department of Finance and Administration to identify how much individual state employees spent on travel for FY 2016. PEER requested travel expenditure data for the top 200 state employees with the highest in-state expenses and for employees with the highest out-of-state expenses for the period from July 1, 2015, through June 30, 2016.

The data reflected that the highest expenditures for in-state travelers ranged from approximately \$17,316 for a position at the Division of Medicaid to \$35,345 for a position at the Department of Human Services. Top out-of-state traveler expenses ranged from approximately \$6,177 for a position at the Board of Nursing to \$40,819 in travel expenses for a position at the Department of Revenue.



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# Current State Travel Policies and Opportunities for Improvement

PEER reviewed the Department of Finance and Administration's *State Travel Policy Rules & Regulations*, revised by the Office of Purchasing, Travel and Fleet Management in December 2016, to compare these travel policies against recognized best practices and policies of other states and to identify potential opportunities for improvement in travel expense management.

## Essential Travel Policy Elements

**In reviewing travel policies from other states, PEER identified some essential elements of travel best practices for managing costs and ensuring that expenditures are in compliance. Mississippi's state travel policies mirror those found nationwide.**

PEER found that the DFA's state travel policies contain many of the guidelines followed by other states and identified some of the essential elements representing travel best practices, which include the following:

- a preapproval process that employees must follow to obtain authorization/approval to attend conferences and training;
- a defined list of typically reimbursable expenses (e.g., hotel room charges, mileage allowances, and meals) and a defined list of non-reimbursable expenses (e.g., in-room movies and alcoholic beverages);
- guidelines defining when day trips versus overnight trips are appropriate and descriptions of what types of travel expenses are typically reimbursable for each type of trip;
- general maximum reimbursement rates for various types of travel expenses, including a maximum rate for lodging and meals and, where appropriate, the conditions under which exceptions to these maximums will be granted;
- mileage reimbursement rates for employee use of personal vehicles while on official business;
- required documentation (including original receipts) to be submitted to support travel expenses;
- a clear explanation that employees may be personally responsible for improper costs incurred and an explanation of how these costs will be recovered if necessary;
- descriptions of the process that employees must follow to be reimbursed for allowable travel expenses;
- a statement communicating to employees that their travel expenses are paid for with public funds and that they should exercise due care while incurring travel expenses;
- procedures to be followed by the auditing body (or auditing official) when examining travel claims, including steps to be followed when certain reimbursement claims are disallowed.

## Opportunities for Improvement in Managing State Travel Expenditures

DFA travel policies contain many elements reflective of travel policies nationwide; however, additional policy changes would allow for more detailed data collection and data-driven decisions in the future.

Current DFA state travel policy addresses most of the essential travel elements noted on page 11, but there are still some opportunities to further improve the management of travel expenses. Furthermore, PEER also compared current state travel policy to some of the recommendations made in PEER Report #407 (*Managing Travel Expenditures; July 2000*) to determine whether any of these recommendations had been incorporated and identify areas that still have opportunities for further improvement.

### Comprehensive Travel-Related Data Reporting

*The DFA travel management data systems have the ability to collect and maintain historical travel-related data across all agencies. However, in order to produce a comprehensive statewide fiscal year-end travel expenditure report that includes each agency's total travel expenses segregated by travel type and commitment item, the DFA has to extract data from multiple systems. For example, the initial travel-related expenditure data set that PEER requested from the DFA varied by travel commitment item on an agency-by-agency basis depending on the data source of the expenditure. In order for the DFA to analyze and directly compare travel expenses among state agencies by travel commitment item, it must ensure that a consistent set of general ledger codes are utilized for each agency.*

One of the recommendations from PEER Report #407 (July 2000) noted the need for comprehensive travel-related data, stating:

*DFA...should develop and implement a travel management information system that captures comprehensive travel-related data in a uniform format.*

In 2014 the Department of Finance and Administration implemented the Mississippi Accountability System for Government Information and Collaboration (MAGIC). MAGIC is the statewide accounting and procurement system of record, encompassing Finance (accounting, budgeting, grants management), Logistics (procurement, fleet management, inventory management), and Data Warehouse functionality.

MAGIC has the ability to collect and maintain historical travel-related data across all agencies through one consistent system. While MAGIC functions as a uniform platform for agencies to input and upload travel-related data, it relies on anyone needing a report to specify what data and in what format the system will produce such a report for an individual or agency. For example, PEER requested the top 200 travelers for both in-state and out-of-state with the highest amount of travel expenditures. When the DFA provided the initial expenditure reports, multiple expenditures had no traveler names

associated with them. When contacted by PEER, the DFA noted that MAGIC has a validation step to require traveler identification based on specific general ledger codes, but there were a few general ledger codes that were not included in the initial report query. Upon identification of this issue, the DFA Mississippi Management and Reporting System (MMRS) was notified and a request was logged for this edit to be expanded to include the general ledger codes identified. The addition of these general ledger codes produced the comprehensive travel report as initially requested by PEER.

PEER also requested travel expenses by commitment item (e.g., meals, lodging, transportation, etc.) for each agency for fiscal years 2015 and 2016. However, PEER could not conduct an agency-by-agency comparison because the travel-related data vary depending on the individual travel expenditure and from which data collection system these expenditures originate. According to DFA staff, travel expenses for reimbursement to state employees are entered in detail into SPAHRS and detailed information reports are available through the Mississippi Executive Resource Library and Information Network (MERLIN).<sup>5</sup> Travel expenses incurred from such items as a direct bill to an agency's business travel account or paid to a state vendor are processed in MAGIC. Furthermore, any data entries from SPAHRS that are posted in MAGIC are posted in summary to a limited range of general ledger codes and vary based on the types of expenditures incurred by each agency.

For example, some state agencies' travel expenditure data reflected separate travel expenses itemized by in-state taxable meals and out-of-state-taxable meals, but other agencies reported data simply as "in-state," "out-of-state," or "out-of-country." Therefore, any travel expenditure analysis is limited to the broadest category: the location of travel, i.e., where the expense was incurred. In order to analyze and directly compare travel expenses among state agencies by each travel commitment item, the DFA must ensure that a consistent set of general ledger codes are utilized to produce a report that provides the same information in the same format for each agency when pulling data from the various travel-related expenditure data systems.

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<sup>5</sup>Mississippi Executive Resource Library and Information Network (MERLIN) is an enterprise data warehouse of accounting (including budget, revenue, and expenditures), payroll, human resources, travel, and property information. The data warehouse gives state agencies and government officials access to decision-critical information for reporting and analysis purposes to facilitate management decisions. MERLIN is both Web and client-server accessible.

## Analysis and Auditing of Travel Expenditures

*Although the DFA performs post-audits to ensure that required travel documentation has been submitted, these audits focus primarily on ensuring legitimate reimbursements that comply with state policy and state laws rather than how agencies and staff could better manage travel expenditures. While MAGIC can capture certain data needed to adequately monitor travel expenses, the DFA does not use the system to routinely produce the reports necessary to analyze such data to drive state travel policy changes.*

Even during periods in which total state travel expenses among state agencies remains relatively consistent, analyzing travel data to understand the types, trends, and volume of travel incurred by state agencies can help in the decision-making process regarding travel in the future. This holds true for any state. For example, the State of Colorado performed a statewide review of its travel management program and two of its recommendations post review included the following:

- 1. improve monitoring of state employee travel patterns and practices to identify potential cost savings opportunities and to enforce statewide travel management programs rules; and*
- 2. evaluate alternatives to the statewide travel management program that achieve fiscal accountability and maximize the value of state travel expenditures without a separate formal program.*

The Department of Finance and Administration has statutory authority to audit travel expenditures for state agencies. MISS. CODE ANN. § 27-104-103(1) (1972) specifically grants a broad spectrum of powers to the DFA, including authority to “review and monitor” government and agency expenditures and manage the state’s fiscal affairs.

Currently, the DFA does not analyze travel to identify and assess trends or increases and decreases in travel-related spending. Management information and statistics provide invaluable information for state agency decision making. When the state’s travel data are appropriately collected and identified, state personnel can use the information to analyze trends and patterns of travel expenditures and activities (for example, the ability to analyze travel agent fees and the number of trips booked to be able to compare that to self-booked fees over time to determine the cost-efficiency of the use of travel agents (discussed in more detail on pages 17 through 20)). Routine analysis of the data provides the most-timely and accurate information to the DFA and agencies for setting policies and procedures and implementing new methods or revising current methods of cost control. Regularly monitoring and analyzing programs to find areas for cost savings is an easy and obvious way to always consider the state’s bottom line.

Although the DFA performs what it refers to as a post-audit that essentially ensures that required documentation was provided, it does not perform regular or random audits to ensure that travel policies are followed at the agency level. This could include

checking DFA standards against agency travel behavior. According to the DFA, it

*Downloads travel, filed in SPAHRS,<sup>6</sup> the day following each Travel processing date. Travel data are converted into an excel spreadsheet where it is tracked. Travel is numbered sequentially in SPAHRS based upon entry date: one series is for EFT's and another for warrants. Travel at or above \$1,000 is pulled for post-auditing. The oldest travel received by DFA/OFM<sup>7</sup> is audited first.*

The previous chapter listed essential elements of any travel policy. Without proper oversight, the presence of sound state travel policy alone will not effectively manage expenses and thus save the state money. Further in-depth oversight could help the DFA identify areas for cost control and management.

Agency-level cooperation is essentially the first line of defense when trying to manage state travel expenses. While verifying that required documentation is included with reimbursement requests is critical to ensuring that only legitimate travel expenses are paid, equally important is ensuring that policies are followed for all aspects of agency travel.

## **Ensuring the Most Efficient Mode of Transportation**

***Passed during the 2017 Legislative Session, House Bill 938 requires that state agencies use a trip optimizer system to determine whether it would be more cost efficient to rent a car or reimburse for mileage if a roundtrip exceeds 100 miles. This requirement became effective July 1, 2017.***

Another recommendation from PEER Report #407 (July 2000) noted the need for a method to determine the most efficient mode of transportation:

*DFA should develop a method for determining the most efficient mode of transportation and implement a policy requiring state agencies to utilize the method.*

The need for such a method is developed further by recent changes to state law. During the 2017 Legislative Session, House Bill 938 was passed, amending MISS. CODE ANN. § 25-3-41 (1972) requiring state agencies:

*...to use a trip optimizer type system developed and administered by the Department of Finance and Administration in computing the optimum method and cost for travel by state officers and employees using a motor vehicle where the travel will exceed one hundred miles per day and the officer or employee is not driving a state-owned or state-leased vehicle that has been dedicated or assigned to the officer or employee; to provide that the maximum authorized*

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<sup>6</sup>The Statewide Payroll and Human Resource System (SPAHRS) is an integrated, mainframe-based, centrally controlled enterprise payroll and human resource system managed by the DFA.

<sup>7</sup>Department of Finance and Administration/Office of Fiscal Management.

*amount of travel reimbursement related to motor vehicle usage shall be the lowest cost option as determined by the trip optimizer type system.*

Appendix E on page 31 provides the trip optimizer system calculator developed by DFA for determining whether it would be more efficient to utilize a rental car versus mileage reimbursement.

Prior to the passage of H.B. 938, one of the state's community colleges made changes to its travel operations. As an attempt to move away from the "car business," Jones County Junior College (JCJC) entered into an agreement with Enterprise rental car company. (JCJC still maintains some fleet vehicles that are currently used for local travel.)

As a part of the agreement, JCJC negotiated a daily rate, and Enterprise set up a system in which travelers can request a vehicle and Enterprise delivers the vehicle to the employee and retrieves it upon return. If the trip exceeds approximately an hour, JCJC uses an Enterprise vehicle. According to the President of JCJC, this method of travel has been both effective and a cost-saver for the college.

For example, a JCJC employee traveling to Jackson in his or her personal vehicle would be reimbursed at a rate of 0.535 cents per mile (based on the current federal mileage guideline). It is approximately 89.4 miles from Jones County Junior College (Ellisville) to Jackson—178.8 miles roundtrip—so the reimbursed amount would be \$95.66. An Enterprise day rate of \$36/day (without tax) yields roughly a \$59.66 savings for this one trip (minus the fuel cost to refuel the tank to its departure level).

Regarding fuel costs, for example, if gas were to be \$2.15 per gallon and the rental car were to average 22 miles per gallon, only about eight gallons of gas would be needed, or \$17.20 in fuel. Applying this cost to the initial speculated savings estimate for using a rental, this yields \$42.46 in overall savings for this trip over the reimbursement method.

Although this example trip shows a potential cost savings to the state based on the JCJC arrangement with Enterprise, it does not factor in costs or effects that could potentially counteract any savings, such as individual staff travel time.

For example, the JCJC-Enterprise arrangement provides that the rental car is dropped off at the JCJC campus as a centralized departure location. However, depending on the destination in relation to the location of an employee's home versus the campus, potential extended travel time might be incurred by the employee traveling to the central pickup point for the rental, offsetting some of the estimated cost savings because of the extra staff time expended. Therefore, an agency head must always review travel plans in advance to help ensure that the most efficient manner of travel is utilized to conserve the expenditure of state dollars.

## **Evaluating the Need for Travel Agencies**

*While the Department of Finance and Administration has recently taken steps to make travel agent fees more uniform and to have travel agents submit their state expenditure logs in a consistent format (e.g., fiscal year time period, type of service provided, number of transactions), the DFA should ensure that it can identify and compare the total amount spent in fees by agent. Furthermore, the DFA should evaluate these fees to identify potential areas for cost savings, such as additional reductions in the fee amounts, or even to determine the necessity to continue to use travel agencies in the future.*

In FY 2017 the Department of Finance and Administration contracted with 12 travel agencies, listed in Appendix C on page 29. Contracts to book travel for state agencies are approved annually, effective with the fiscal year. Although the contract is between the state and the agency, the state does not award any direct money or appropriations to the travel agency. Rather, the contracts authorize travel agents to charge a fee for each transaction or service. This fee varies based on the type of service that is arranged through a travel agent.

Each agency charges a set fee per ticket depending on the type of booking they make. Traditionally, and before widespread use of the Internet, travel agents played a large role in most forms of travel booking. However, the many advancements in technology may negate the justification for contracting with a travel agent to book state travel. Booking trips through an agent may prove necessary in certain situations, e.g., for a large group of travelers, but even so the DFA needs to determine whether the fees spent on travel agent services can be justified.

Conducting a formal evaluation on whether booking through a travel agency is providing a benefit or cost savings to the state would allow the DFA to continue to determine the viability of utilizing travel agent services in the future. Furthermore, the DFA could adjust the state travel policy rules and regulations accordingly, based on any findings produced by such an evaluation.

### ***Evaluating Travel Agent Fees***

*The Department of Finance and Administration established a uniform travel agent fee schedule that was incorporated into the 12 travel agent contracts effective July 1, 2016, through June 30, 2017.*

For FY 2017 the DFA negotiated rates and established a fee schedule for the 12 contracted travel agencies. This was its first attempt to create consistency and uniformity among fee schedules. Exhibit 6 on page 18 lists the travel agency rates the state negotiated for these contracts.

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**Exhibit 6: Negotiated Travel Agent Rates, July 1, 2016–June 30, 2017**

Service	Fee
Airline-domestic	\$35 per transaction
Airline-international	\$50 per transaction
Airline-exchange	\$30 per transaction
Amtrak	\$10 per transaction
Vehicle Rental	\$10 per transaction
Lodging	\$15 per transaction
Visa Processing	\$20 per transaction

SOURCE: Department of Finance and Administration staff.

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Prior to the current environment of travel agency contracts having a fixed-rate fee schedule, the state accepted a rate set by each individual travel agent for booking certain types of tickets or services. For example, the fee for booking a domestic airline ticket could vary from a \$35 flat-rate fee or from 10% of the ticket cost (with \$30 minimum/\$200 maximum fee limits). By establishing a fixed-rate fee schedule based on the type of service provided, the DFA was able to eliminate the inconsistency in the fees that state agencies paid and, depending on the prior travel agent used, saved some travel costs by paying potentially lower fees. Appendix D on page 30 lists the fees charged by travel agents with state contracts prior to the uniform fee schedule.

***Capturing Management Information through Travel Agent Contracts***

*Each of the contracted travel agencies provides reports to the Department of Finance and Administration showing the total amount of state travel expenditures booked with it. Beginning with the contractual period of July 1, 2016, through June 30, 2017, the DFA now requires travel agents to submit their state expenditure logs in a consistent format (e.g., fiscal year time period, type of service provided, number of transactions, itemization of fees by type, etc.) With this new reporting format, the DFA should ensure that it, or a third-party entity, such as PEER, can identify and compare how much in state dollars was spent on fees by agent.*

The DFA provided copies of the travel agent reports for the agencies authorized to conduct business with the state. PEER identified multiple inconsistencies in the data provided in those reports as well as the formats in which data were reported. While the DFA may be able to look at travel agency reports and discern how many trips were taken and how much the state has spent on travel agent fees, as it currently appears, this information would not be readily identifiable by a third-party entity, such as PEER.

For example, some of the travel agent expenditure logs were provided for various time periods ranging from less than a fiscal year to periods that overlapped fiscal years; others provided only “as of” dates. The DFA should require all travel



agent logs to span over the fiscal year (July 1 through June 30) so that it can compare total expenditures by each agent for a consistent time frame.

In addition, specific travel-related data were recorded inconsistently. For example, some of the travel logs provided a detailed itemization of the data (e.g., passenger name, itinerary, location of domestic versus international), whereas some of the logs merely stated agency name and the lump sum of expenditures. Furthermore, some travel agents listed service fees as line item expenses; other agents grouped all into total trip cost.

According to the DFA, it noted similar concerns with the reports provided by the various travel agents, so it amended the reporting requirements to specify a uniform reporting format of the expenditure logs beginning with the fiscal year 2017 (July 1, 2016 through June 30, 2017) reports. Requiring a consistent data format and uniform reporting in expenditure logs submitted by travel agents should allow the DFA to more easily and readily make comparisons among the travel agencies and potentially identify areas for cost savings. With this new reporting format, the DFA should ensure that it, or a third-party entity, such as PEER, can identify and compare how much in state dollars was spent on fees by agent.

#### ***Analysis of Travel Agent Data To Identify Potential Areas for Cost Savings***

*The Department of Finance and Administration should evaluate the travel-related data (i.e., the expenditure logs provided by the contracted travel agencies) to identify potential areas for cost savings, such as additional reductions in the fee schedule amounts paid to travel agencies or, furthermore, to evaluate the necessity for continued use of travel agencies.*

Data collection and analysis is critical for management decision making. It is important for the DFA to put in place a mechanism that would allow for a data-driven decision making as it pertains to booking travel in-house on an agency-by-agency basis or contracting that function out to a travel agency.

Data-driven decision making is also utilized by certain for-profit companies, such as Dart Container. Dart Container chose to eliminate the use of travel agents and created an in-house travel agency to avoid travel agent fees. According to an article by a company called Travel Placement Service:

*The travel expenses of Dart Container, the world's largest producer of food-packaging containers and foam cups, average out to \$600,000 for car rentals, \$1.5 million on hotel rooms and \$2.3 million on airline tickets annually, according to an American Express article. But the company also saved 53 percent on expenses by opening their own travel department.<sup>8</sup>*

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<sup>8</sup><http://www.travelplacement.com/blog/20-general-staffing-news-and-resources/134-more-companies-are-launching-in-house-travel-agencies> (September 11, 2014).

Until travel agent data are collected and analyzed, the state will have little way of knowing whether use of travel agent services is providing a cost savings to the state.

Specific to airline travel for Mississippi state agencies and staff, the DFA *State Travel Policy Rules & Regulations* manual (December 2016, p. 18) states the following:

*Employees may make reservations for public carrier (airline, etc.) travel arrangements using a state contract travel agency or by booking flights over the Internet. A receipt (passenger receipt) and itinerary shall accompany the request for reimbursement.*

*For all flights which are not booked through one of the contract travel agencies, the state agency must maintain in its files a cost comparison showing a **minimum** of two (2) fares. This cost comparison must show the fare and any issuance cost and must show a savings, and shall be submitted along with the employee's Travel Voucher. **Neither of these quotes should be through a travel agency if they will not be used.***

One could argue that not paying a travel agent fee at all would satisfy both “booking the flights over the Internet” and “must show a savings” in booking flights.

For example, PEER reviewed a purchase summary from The Travel Company of Mississippi (one of the 12 travel agencies with which the DFA contracted in FY 2017). The purchase summary detailed service fees paid to the agency from May 1, 2014, through April 30, 2015. During that period, state agencies paid \$12,455 in travel agent service fees to this agency alone.

Even though the total spent on fees was not readily available for each of the travel agencies, making the assumption that if the same fees were charged by the other 11 agencies during that same time period, state agencies, as a whole, would have spent approximately \$149,460 on travel agent fees.

PEER does not suggest that paying a travel agent fee is an unnecessary travel expense nor imply that for some state agencies the use of travel agents is not the most effective method. Rather, using available data, this report compared expenditures for fiscal years 2015 and 2016 and examined opportunities the Department of Finance and Administration might consider that could yield additional cost savings, particularly further reduction of the fee schedule for travel agencies and more refined data collection and analysis to determine whether to continue contracting with travel agencies.

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## Recommendations

1. In order to improve the reporting of state travel expenditures, the Department of Finance and Administration should periodically monitor travel-related information entered by state agencies into the state's accounting system to ensure that such information is entered in appropriate and sufficient detail to allow analysis and reporting of travel expenditures.
2. Using its authority granted through MISS. CODE ANN. § 27-104-103(1) (1972) to "review and monitor" government and agency expenditures and manage the state's fiscal affairs, the Department of Finance and Administration should
  - a. enforce travel policies at the agency level by performing random and scheduled audits to help determine how agencies and staff could better manage travel expenditures. This should include random audits for travel less than \$1,000. These audits should be performed in addition to what is currently done to ensure that required documentation is submitted.
  - b. routinely analyze travel data for trends in order to identify areas for cost reductions, identify opportunities for tighter cost controls, and to provide state agencies with useful information for decision making.
  - c. routinely review the implementation of the trip optimizer system established by MISS. CODE ANN. § 25-3-41 (1972) and report on any cost savings at least annually.
  - d. annually evaluate and review the use of state-contracted travel agencies, such as travel agent fees, types of tickets booked, whether tickets are booked in a group or solo, etc.
  - e. periodically review *State Travel Policy Rules & Regulations* for additional areas for potential improvements in the efficiency of travel-related expenditures.
3. DFA vendor/travel agent contracts should require vendors/travel agents to report travel-related data in a consistent electronic format that details the amount spent on travel agent fees for each type of booking (e.g., airline, Amtrak, lodging, etc.). These data should be kept on a historical basis, readily available to the Department of Finance and Administration and other oversight agencies, and in a consistent and uniform manner so they can be easily analyzed.

4. To inform the Legislature regarding certain expenditures in the state budget, the Department of Finance and Administration should produce annually a fiscal year-end travel expenditure report that includes each agency's total travel expenses segregated by travel type (in-state, out-of-state, and out-of-country) and commitment item (meals, lodging, transportation). By September 15 of each calendar year, the DFA should provide the report to the Senate and House Appropriations committees; Senate and House Accountability, Efficiency and Transparency committees; and the Joint Legislative Budget Committee. Such a report would be similar to the one required of the State Personnel Board to report annually on salary increases provided to state employees (see MISS. CODE ANN. § 25-9-148).

## Appendix A: FY 2016 Travel Expenses by Agency

Agency	In-State Travel	Out-of-State Travel	Out-of-Country Travel	Total Expenses
Human Services, Department of	\$ 9,384,957.62	\$ 382,113.98	\$ 0.00	\$ 9,767,071.60
Health, Department of	\$ 5,162,685.06	\$ 503,870.05	\$ 0.00	\$ 5,666,555.11
Transportation, Department of	\$ 1,602,923.29	\$ 459,849.98	\$ 0.00	\$ 2,062,773.27
Education, Department of	\$ 1,462,217.37	\$ 396,770.23	\$ 0.00	\$ 1,858,987.60
Revenue, Department of	\$ 1,172,760.63	\$ 519,318.67	\$ 0.00	\$ 1,692,079.30
Rehabilitation Services, Department of	\$ 1,496,219.22	\$ 154,116.89	\$ 0.00	\$ 1,650,336.11
Supreme Court - Admin Office	\$ 1,354,948.30	\$ 247,921.67	\$ 0.00	\$ 1,602,869.97
Banking and Consumer Finance	\$ 891,442.22	\$ 356,073.71	\$ 0.00	\$ 1,247,515.93
House of Representatives	\$ 985,226.73	\$ 166,680.07	\$ 0.00	\$ 1,151,906.80
Attorney General	\$ 866,739.00	\$ 233,069.52	\$ 0.00	\$ 1,099,808.52
Medicaid, Division of	\$ 671,623.19	\$ 167,120.54	\$ 0.00	\$ 838,743.73
MS Development Authority	\$ 302,747.98	\$ 364,904.43	\$108,534.24	\$ 776,186.65
Public Safety, Department of	\$ 202,141.22	\$ 458,770.05	\$ 4,147.00	\$ 665,058.27
Environmental Quality, Department of	\$ 317,066.27	\$ 261,878.28	\$ 100.57	\$ 579,045.12
Corrections, Department of	\$ 376,793.12	\$ 105,456.02	\$ 0.00	\$ 482,249.14
State District Attorneys	\$ 328,232.30	\$ 153,073.43	\$ 0.00	\$ 481,305.73
Employment Security, Department of	\$ 318,652.73	\$ 147,290.60	\$ 0.00	\$ 465,943.33
State Senate	\$ 411,733.74	\$ 34,398.58	\$ 0.00	\$ 446,132.32
MS Emergency Management	\$ 365,810.87	\$ 69,501.59	\$ 0.00	\$ 435,312.46
Public Service Commission	\$ 239,730.46	\$ 124,253.51	\$ 0.00	\$ 363,983.97
State Auditor, Office of	\$ 350,804.94	\$ 11,868.33	\$ 0.00	\$ 362,673.27
MS Gaming Commission	\$ 136,267.36	\$ 211,542.40	\$ 6,447.98	\$ 354,257.74
Mental Health, Department of	\$ 293,637.53	\$ 32,784.34	\$ 0.00	\$ 326,421.87
Military Department	\$ 112,855.50	\$ 165,409.17	\$ 2,011.94	\$ 280,276.61
Insurance Department	\$ 91,774.80	\$ 109,767.70	\$ 0.00	\$ 201,542.50
Community College Board	\$ 139,891.18	\$ 60,061.70	\$ 0.00	\$ 199,952.88
Contractors, Board of	\$ 159,665.52	\$ 14,002.78	\$ 0.00	\$ 173,668.30
Wildlife, Fisheries, and Parks, Department of	\$ 75,437.14	\$ 64,793.40	\$ 1,147.04	\$ 141,377.58
Cosmetology, Board of	\$ 139,598.40	\$ 779.08	\$ 0.00	\$ 140,377.48
Marine Resources, Department of	\$ 26,333.79	\$ 112,412.84	\$ 0.00	\$ 138,746.63
Agriculture and Commerce, Department of	\$ 29,394.92	\$ 92,746.23	\$ 0.00	\$ 122,141.15
Forestry Commission	\$ 67,227.35	\$ 54,280.70	\$ 0.00	\$ 121,508.05
Nursing, Board of	\$ 62,413.01	\$ 56,068.50	\$ 0.00	\$ 118,481.51
State Public Defender, Office of	\$ 105,791.55	\$ 10,029.62	\$ 0.00	\$ 115,821.17
Finance and Administration, Department of	\$ 58,483.19	\$ 45,919.98	\$ 0.00	\$ 104,403.17
Information Technology Service	\$ 21,760.46	\$ 66,915.09	\$ 0.00	\$ 88,675.55
Barber Examiners, Board of	\$ 73,596.43	\$ 13,811.21	\$ 0.00	\$ 87,407.64

MS Authority for Educational Television	\$ 24,381.36	\$ 59,778.59	\$ 0.00	\$ 84,159.95
Ellisville State School	\$ 81,915.49	\$ 821.94	\$ 0.00	\$ 82,737.43
State Veterans Affairs Board	\$ 40,371.71	\$ 36,999.93	\$ 0.00	\$ 77,371.64
Public Employees Retirement	\$ 20,794.94	\$ 50,655.05	\$ 1,848.36	\$ 73,298.35
Workers Compensation	\$ 57,562.85	\$ 14,965.06	\$ 0.00	\$ 72,527.91
Pharmacy, Board of	\$ 21,517.80	\$ 50,142.26	\$ 0.00	\$ 71,660.06
Real Estate Commission	\$ 15,241.36	\$ 56,067.65	\$ 0.00	\$ 71,309.01
Secretary of State, Office of	\$ 65,583.26	\$ 2,740.78	\$ 0.00	\$ 68,324.04
Hudspeth Regional Center	\$ 58,588.97	\$ 7,406.78	\$ 0.00	\$ 65,995.75
Capital Post-Conviction Counsel, Office of	\$ 35,725.76	\$ 30,106.26	\$ 0.00	\$ 65,832.02
MS Library Commission	\$ 18,855.18	\$ 40,449.74	\$ 0.00	\$ 59,304.92
State Aid Road Construction, Office of	\$ 33,978.21	\$ 24,218.82	\$ 0.00	\$ 58,197.03
Boswell Regional Center	\$ 54,185.45	\$ 0.00	\$ 0.00	\$ 54,185.45
Archives and History, Department of	\$ 21,736.10	\$ 27,732.80	\$ 0.00	\$ 49,468.90
Soil and Water Conservation Commission	\$ 30,940.87	\$ 15,265.91	\$ 876.21	\$ 47,082.99
MS Public Utilities Staff	\$ 9,161.93	\$ 34,663.31	\$ 0.00	\$ 43,825.24
Arts Commission	\$ 18,299.51	\$ 24,106.55	\$ 585.91	\$ 42,991.97
Dental Examiners, Board of	\$ 19,773.01	\$ 21,821.04	\$ 0.00	\$ 41,594.05
Medical Licensure, Board of	\$ 13,547.47	\$ 26,047.09	\$ 0.00	\$ 39,594.56
State Treasurer, Office of	\$ 17,520.65	\$ 21,915.86	\$ 0.00	\$ 39,436.51
Oil and Gas Board	\$ 33,977.02	\$ 3,801.86	\$ 0.00	\$ 37,778.88
North MS Regional Center	\$ 31,932.22	\$ 5,386.70	\$ 0.00	\$ 37,318.92
Mississippi State Hospital	\$ 22,619.22	\$ 14,366.27	\$ 0.00	\$ 36,985.49
PEER Committee	\$ 18,183.89	\$ 18,294.32	\$ 0.00	\$ 36,478.21
Public Accountancy, Board of	\$ 6,885.81	\$ 24,141.70	\$ 0.00	\$ 31,027.51
Animal Health, Board of	\$ 12,472.04	\$ 18,091.53	\$ 0.00	\$ 30,563.57
Architecture, Board of	\$ 10,685.94	\$ 15,868.88	\$ 0.00	\$ 26,554.82
Professional Engineers and Surveyors, Board of Licensure for	\$ 12,124.84	\$ 14,097.59	\$ 0.00	\$ 26,222.43
South MS Regional Center	\$ 26,171.52	\$ 0.00	\$ 0.00	\$ 26,171.52
Personnel Board	\$ 19,401.36	\$ 4,016.21	\$ 0.00	\$ 23,417.57
Legislative Budget Office	\$ 7,049.05	\$ 14,527.22	\$ 0.00	\$ 21,576.27
Veteran's Home Purchase	\$ 20,198.55	\$ 0.00	\$ 0.00	\$ 20,198.55
North MS State Hospital	\$ 18,162.98	\$ 1,631.56	\$ 0.00	\$ 19,794.54
Motor Vehicle Commission	\$ 10,722.66	\$ 7,765.35	\$ 0.00	\$ 18,488.01
Fair Commission	\$ 1,581.80	\$ 14,378.35	\$ 0.00	\$ 15,960.15
Psychology, Board of	\$ 7,056.36	\$ 7,902.23	\$ 0.00	\$ 14,958.59
Governor, Office of	\$ 6,480.70	\$ 7,979.53	\$ 0.00	\$ 14,460.23
Auctioneer Commission	\$ 14,149.38	\$ 0.00	\$ 0.00	\$ 14,149.38
East MS State Hospital	\$ 13,362.32	\$ 394.33	\$ 0.00	\$ 13,756.65
Institutions of Higher Learning*	\$ 6,892.18	\$ 6,665.89	\$ 0.00	\$ 13,558.07

Examiners for Social Workers, Board of	\$ 8,270.80	\$ 3,200.07	\$ 0.00	\$ 11,470.87
Veterinary Medicine, Board of	\$ 7,173.20	\$ 3,014.68	\$ 0.00	\$ 10,187.88
South MS State Hospital	\$ 8,972.51	\$ 0.00	\$ 0.00	\$ 8,972.51
Judicial Performance, Commission on	\$ 7,405.50	\$ 1,533.57	\$ 0.00	\$ 8,939.07
Optometry, Board of	\$ 2,180.27	\$ 6,490.49	\$ 0.00	\$ 8,670.76
Examiners for Professional Counselors, Board of	\$ 7,369.25	\$ 0.00	\$ 0.00	\$ 7,369.25
Massage Therapy, Board of	\$ 7,291.33	\$ 0.00	\$ 0.00	\$ 7,291.33
Funeral Service, Board of	\$ 7,202.34	\$ 0.00	\$ 0.00	\$ 7,202.34
Athletic Commission	\$ 5,471.56	\$ 1,111.28	\$ 0.00	\$ 6,582.84
Chiropractic Examiners, Board of	\$ 3,833.09	\$ 1,580.79	\$ 0.00	\$ 5,413.88
Specialized Treatment Facility	\$ 4,568.89	\$ 0.00	\$ 0.00	\$ 4,568.89
Physical Therapy, Board of	\$ 4,039.42	\$ 0.00	\$ 0.00	\$ 4,039.42
Registration for Foresters, Board of	\$ 3,422.11	\$ 531.19	\$ 0.00	\$ 3,953.30
Legislative Joint Operations	\$ 19.98	\$ 3,500.34	\$ 0.00	\$ 3,520.32
Joint Legislative Reapportionment	\$ 0.00	\$ 3,450.26	\$ 0.00	\$ 3,450.26
Ethics Commission	\$ 2,577.40	\$ 231.50	\$ 0.00	\$ 2,808.90
MS Adolescent Center	\$ 2,611.74	\$ 0.00	\$ 0.00	\$ 2,611.74
Nursing Home Administration, Board of	\$ 2,112.07	\$ 0.00	\$ 0.00	\$ 2,112.07
Tax Appeals, Board of	\$ 1,970.10	\$ 0.00	\$ 0.00	\$ 1,970.10
Central MS Residential Center	\$ 1,117.25	\$ 0.00	\$ 0.00	\$ 1,117.25
Registered Professional Geologists, Board of	\$ 930.12	\$ 0.00	\$ 0.00	\$ 930.12
State General Fund**	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Totals</b>	<b>\$30,907,648.04</b>	<b>\$7,179,483.98</b>	<b>\$125,699.25</b>	<b>\$38,212,831.27</b>

\*Institutions of Higher Learning (IHL) is treated as a component unit. Although IHL does receive state funding, it functions autonomously. According to the DFA, most travel expenditures for IHL's entity would probably be captured in IHL's external system; therefore, the numbers in this table do not reflect all of IHL's travel expenses.

\*\*During FY 2016, the state general fund reflected revenue of \$267 in-state dollars. For the purposes of this exhibit, this amount reflected as expenditures total zero, but the revenue is reflected within the overall total expenditure amount.

SOURCE: Department of Finance and Administration.

## Appendix B: FY 2015 Travel Expenses by Agency

Agency	In-State Travel	Out-of-State Travel	Out-of-Country Travel	Total Expenses
Human Services, Department of	\$ 8,963,654.43	\$ 377,961.29	\$ 300.00	\$ 9,341,915.72
Health, Department of	\$ 5,237,446.80	\$ 678,308.76	\$ 0.00	\$ 5,915,755.56
Transportation, Department of	\$ 1,546,763.94	\$ 406,126.09	\$ 0.00	\$ 1,952,890.03
Revenue, Department of	\$ 1,211,797.58	\$ 696,588.21	\$ 0.00	\$ 1,908,385.79
Education, Department of	\$ 1,331,517.61	\$ 292,074.02	\$ 0.00	\$ 1,623,591.63
Supreme Court - Admin Office	\$ 1,292,215.54	\$ 77,860.33	\$ 0.00	\$ 1,370,075.87
Rehabilitation Services, Department of	\$ 1,159,066.19	\$ 156,841.74	\$ 0.00	\$ 1,315,907.93
Banking and Consumer Finance	\$ 924,071.98	\$ 322,841.40	\$ 0.00	\$ 1,246,913.38
Attorney General	\$ 923,534.41	\$ 270,479.17	\$ 0.00	\$ 1,194,013.58
House of Representatives	\$ 1,044,759.40	\$ 93,533.48	\$ 0.00	\$ 1,138,292.88
MS Development Authority	\$ 423,186.39	\$ 360,083.09	\$144,849.79	\$ 928,119.27
Corrections, Department of	\$ 628,229.07	\$ 83,696.93	\$ 0.00	\$ 711,926.00
Public Safety, Department of	\$ 189,057.02	\$ 444,385.05	\$ 9,037.88	\$ 642,479.95
Medicaid, Division of	\$ 477,358.65	\$ 148,534.96	\$ 0.00	\$ 625,893.61
Environmental Quality, Department of	\$ 311,403.17	\$ 304,912.20	\$ 0.00	\$ 616,315.37
State Auditor, Office of	\$ 458,371.23	\$ 18,797.20	\$ 0.00	\$ 477,168.43
State Senate	\$ 429,479.53	\$ 42,380.79	\$ 0.00	\$ 471,860.32
Employment Security, Department of	\$ 226,981.55	\$ 203,877.55	\$ 0.00	\$ 430,859.10
Mental Health, Department of	\$ 343,157.76	\$ 52,101.06	\$ 0.00	\$ 395,258.82
MS Gaming Commission	\$ 147,781.58	\$ 215,569.87	\$ 13,412.14	\$ 376,763.59
State District Attorneys	\$ 331,548.21	\$ 19,694.56	\$ 0.00	\$ 351,242.77
MS Emergency Management	\$ 266,108.88	\$ 80,384.77	\$ 0.00	\$ 346,493.65
Public Service Commission	\$ 233,062.18	\$ 41,041.52	\$ 0.00	\$ 274,103.70
Military Department	\$ 98,587.48	\$ 142,796.85	\$ 1,741.27	\$ 243,125.60
Insurance Department	\$ 92,311.16	\$ 126,250.48	\$ 0.00	\$ 218,561.64
Community College Board	\$ 133,931.67	\$ 60,292.00	\$ 0.00	\$ 194,223.67
Contractors, Board of	\$ 157,139.94	\$ 15,811.94	\$ 0.00	\$ 172,951.88
Marine Resources, Department of	\$ 30,496.46	\$ 132,801.22	\$ 0.00	\$ 163,297.68
Wildlife, Fisheries, and Parks, Department of	\$ 81,942.54	\$ 52,396.59	\$ 0.00	\$ 134,339.13
MS Authority for Educational Television	\$ 57,627.52	\$ 55,766.81	\$ 13,998.73	\$ 127,393.06
Agriculture and Commerce, Department of	\$ 31,057.24	\$ 91,959.39	\$ 0.00	\$ 123,016.63
Forestry Commission	\$ 64,782.35	\$ 56,655.94	\$ 0.00	\$ 121,438.29
Cosmetology, Board of	\$ 113,312.94	\$ 3,806.31	\$ 0.00	\$ 117,119.25
Information Technology Service	\$ 20,868.99	\$ 88,756.12	\$ 0.00	\$ 109,625.11
State Public Defender, Office of	\$ 94,782.86	\$ 6,592.79	\$ 0.00	\$ 101,375.65
Ellisville State School	\$ 96,803.98	\$ 176.61	\$ 0.00	\$ 96,980.59
Finance and Administration, Department of	\$ 60,441.95	\$ 27,671.02	\$ 1,442.50	\$ 89,555.47



Nursing, Board of	\$ 48,883.42	\$ 34,780.53	\$ 0.00	\$ 83,663.95
Capital Post-Conviction Counsel, Office of	\$ 48,670.23	\$ 34,697.13	\$ 0.00	\$ 83,367.36
Public Employees Retirement	\$ 23,524.01	\$ 55,253.24	\$ 0.00	\$ 78,777.25
Barber Examiners, Board of	\$ 69,872.41	\$ 8,302.97	\$ 0.00	\$ 78,175.38
State Veterans Affairs Board	\$ 44,584.28	\$ 26,602.67	\$ 0.00	\$ 71,186.95
Workers Compensation	\$ 63,256.43	\$ 5,922.42	\$ 0.00	\$ 69,178.85
Pharmacy, Board of	\$ 25,800.03	\$ 40,811.86	\$ 0.00	\$ 66,611.89
Secretary of State, Office of	\$ 54,076.83	\$ 6,798.21	\$ 0.00	\$ 60,875.04
Real Estate Commission	\$ 11,369.30	\$ 47,809.41	\$ 0.00	\$ 59,178.71
Hudspeth Regional Center	\$ 42,269.83	\$ 10,663.43	\$ 0.00	\$ 52,933.26
Archives and History, Department of	\$ 20,912.92	\$ 29,810.07	\$ 1,660.70	\$ 52,383.69
Soil and Water Conservation Commission	\$ 28,484.70	\$ 23,730.83	\$ 0.00	\$ 52,215.53
PEER Committee	\$ 38,203.81	\$ 10,604.09	\$ 0.00	\$ 48,807.90
MS Library Commission	\$ 18,175.06	\$ 30,544.09	\$ 0.00	\$ 48,719.15
Arts Commission	\$ 19,552.87	\$ 27,904.63	\$ 268.30	\$ 47,725.80
Boswell Regional Center	\$ 43,299.56	\$ 405.20	\$ 0.00	\$ 43,704.76
State Aid Road Construction, Office of	\$ 35,291.85	\$ 6,761.11	\$ 0.00	\$ 42,052.96
North MS Regional Center	\$ 36,981.28	\$ 4,947.28	\$ 0.00	\$ 41,928.56
Mississippi State Hospital	\$ 22,182.10	\$ 18,723.79	\$ 0.00	\$ 40,905.89
MS Public Utilities Staff	\$ 9,208.78	\$ 27,599.10	\$ 0.00	\$ 36,807.88
State Treasurer, Office of	\$ 14,617.64	\$ 19,202.38	\$ 0.00	\$ 33,820.02
Oil and Gas Board	\$ 28,869.83	\$ 4,919.97	\$ 0.00	\$ 33,789.80
Animal Health, Board of	\$ 14,214.99	\$ 18,215.10	\$ 0.00	\$ 32,430.09
Architecture, Board of	\$ 10,936.58	\$ 21,432.81	\$ 0.00	\$ 32,369.39
South MS Regional Center	\$ 30,901.92	\$ 0.00	\$ 0.00	\$ 30,901.92
Dental Examiners, Board of	\$ 14,617.00	\$ 15,573.64	\$ 0.00	\$ 30,190.64
Medical Licensure, Board of	\$ 12,519.86	\$ 14,090.96	\$ 0.00	\$ 26,610.82
Veteran's Home Purchase	\$ 21,119.65	\$ 3,719.30	\$ 0.00	\$ 24,838.95
Fair Commission	\$ 13,569.07	\$ 9,564.94	\$ 0.00	\$ 23,134.01
Professional Engineers and Surveyors, Board of Licensure for	\$ 13,417.34	\$ 9,247.86	\$ 0.00	\$ 22,665.20
North MS State Hospital	\$ 21,981.49	\$ 668.23	\$ 0.00	\$ 22,649.72
Personnel Board	\$ 15,089.29	\$ 6,075.17	\$ 0.00	\$ 21,164.46
Public Accountancy, Board of	\$ 8,199.70	\$ 12,324.42	\$ 0.00	\$ 20,524.12
Athletic Commission	\$ 12,526.58	\$ 6,679.44	\$ 0.00	\$ 19,206.02
Legislative Budget Office	\$ 7,725.46	\$ 9,959.82	\$ 0.00	\$ 17,685.28
East MS State Hospital	\$ 14,788.76	\$ 2,118.10	\$ 0.00	\$ 16,906.86
Motor Vehicle Commission	\$ 11,030.70	\$ 4,585.24	\$ 0.00	\$ 15,615.94
Psychology, Board of	\$ 5,766.81	\$ 9,557.25	\$ 0.00	\$ 15,324.06
Appraiser Licensing and Certification Board	\$ 3,700.64	\$ 11,472.25	\$ 0.00	\$ 15,172.89
South MS State Hospital	\$ 11,497.31	\$ 2,506.92	\$ 0.00	\$ 14,004.23
Optometry, Board of	\$ 2,710.88	\$ 10,462.70	\$ 0.00	\$ 13,173.58

Auctioneer Commission	\$ 12,919.07	\$ 0.00	\$ 0.00	\$ 12,919.07
Institutions of Higher Learning*	\$ 9,731.25	\$ 2,222.06	\$ 0.00	\$ 11,953.31
Governor, Office of	\$ 4,004.78	\$ 5,250.73	\$ 0.00	\$ 9,255.51
Veterinary Medicine, Board of	\$ 6,120.24	\$ 2,531.08	\$ 0.00	\$ 8,651.32
Specialized Treatment Facility	\$ 8,468.63	\$ 0.00	\$ 0.00	\$ 8,468.63
Examiners for Social Workers, Board of	\$ 7,039.14	\$ 364.24	\$ 0.00	\$ 7,403.38
Examiners for Professional Counselors, Board of	\$ 7,257.57	\$ 0.00	\$ 0.00	\$ 7,257.57
Judicial Performance, Commission on	\$ 7,093.45	\$ 0.00	\$ 0.00	\$ 7,093.45
Joint Legislative Reapportionment	\$ 640.28	\$ 5,455.03	\$ 0.00	\$ 6,095.31
Physical Therapy, Board of	\$ 4,668.00	\$ 1,153.52	\$ 0.00	\$ 5,821.52
Massage Therapy, Board of	\$ 5,569.98	\$ 0.00	\$ 0.00	\$ 5,569.98
Ethics Commission	\$ 3,002.04	\$ 1,530.97	\$ 0.00	\$ 4,533.01
Legislative Joint Operations	\$ 0.00	\$ 4,350.80	\$ 0.00	\$ 4,350.80
Chiropractic Examiners, Board of	\$ 3,891.53	\$ 253.98	\$ 0.00	\$ 4,145.51
Tax Appeals, Board of	\$ 2,394.11	\$ 1,581.08	\$ 0.00	\$ 3,975.19
Central MS Residential Center	\$ 2,351.69	\$ 1,470.80	\$ 0.00	\$ 3,822.49
Registration for Foresters, Board of	\$ 3,209.01	\$ 0.00	\$ 0.00	\$ 3,209.01
MS River Parkway Commission	\$ 567.84	\$ 2,594.61	\$ 0.00	\$ 3,162.45
Nursing Home Administration, Board of	\$ 3,018.94	\$ 0.00	\$ 0.00	\$ 3,018.94
Funeral Service, Board of	\$ 2,786.74	\$ 0.00	\$ 0.00	\$ 2,786.74
MS Adolescent Center	\$ 1,634.39	\$ 0.00	\$ 0.00	\$ 1,634.39
MS Commission on Status of Women	\$ 331.11	\$ 1,156.24	\$ 0.00	\$ 1,487.35
Registered Professional Geologists, Board of	\$ 611.64	\$ 0.00	\$ 0.00	\$ 611.64
State General Fund	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Totals</b>	<b>\$30,326,352.81</b>	<b>\$6,924,771.81</b>	<b>\$186,711.31</b>	<b>\$37,437,835.93</b>

\*Institutions of Higher Learning (IHL) is treated as a component unit. Although IHL does receive state funding, it functions autonomously. According to the DFA, most travel expenditures for IHL's entity would probably be captured in IHL's external system; therefore, the numbers in this table do not reflect all of IHL's travel expenses.

SOURCE: Department of Finance and Administration.

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## Appendix C: DFA Contracted Travel Agencies (July 1, 2016, through June 30, 2017)

DFA's contracted travel agencies for FY 2017:

1. Avanti Travel, Inc.
2. DCBC, Inc. (International Tours of Clinton)
3. Destination Travel, Inc.
4. Gavinco Mortgage Company (Gavin Travel)
5. Greenlee, Inc. (For Travelers Only)
6. LMR Travel Leaders
7. Linda Kehoe Latitudes Travel, LLC
8. National Travel Systems, LP
9. Pro Travel of Hattiesburg, Inc.
10. S&K Travel Holdings Travel Leaders
11. Short's Travel Management
12. The Travel Company, Inc.

SOURCE: Department of Finance and Administration.

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## Appendix D: Travel Agent Fee Schedule (July 1, 2015, through June 30, 2016)

Travel Agency	Airline Fee	Hotel Fee	Vehicle Rental Fee
1. Avanti Travel, Inc.	<ul style="list-style-type: none"> <li>• Domestic: 10% of ticket cost (\$25 min/\$50 max)</li> <li>• International: 10% of ticket cost (\$125 max)</li> <li>• Reissue: \$25/ticket</li> </ul>	\$20 per reservation	\$10-\$25 per reservation
2. Destination Travel, Inc.	<ul style="list-style-type: none"> <li>• Domestic: \$40/ticket</li> <li>• International: \$50/ticket</li> <li>• Reissue: \$40/ticket</li> </ul>	\$20 per reservation	No charge
3. Direct Connection Travel	<ul style="list-style-type: none"> <li>• Domestic: \$40/ticket</li> <li>• International: \$65/ticket</li> <li>• Reissue: \$40/ticket</li> </ul>	-----	-----
4. For Travelers Only	<ul style="list-style-type: none"> <li>• Domestic: \$40/ticket</li> <li>• International: \$65/ticket</li> <li>• Reissue: \$20/ticket</li> </ul>	\$20 per reservation	-----
5. Gavin Travel	<ul style="list-style-type: none"> <li>• Domestic: 10% of ticket cost (\$30 min/\$200 max)</li> <li>• International: 10% of ticket cost (\$50 min/\$300 max)</li> <li>• Reissue: \$25/ticket</li> </ul>	\$15 per reservation	\$15 per reservation
6. International Tours of Clinton	<ul style="list-style-type: none"> <li>• Domestic: \$40/ticket</li> <li>• International: \$80/ticket (\$150 max)</li> <li>• Reissue: \$20/ticket</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic: \$15 per reservation (\$35 max)</li> <li>• International: \$25 per reservation (\$45 max)</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic: \$15 per reservation (\$35 max)</li> <li>• International: \$25 per reservation (\$45 max)</li> </ul>
7. Let's Travel and Co.	<ul style="list-style-type: none"> <li>• Domestic: \$35/ticket</li> <li>• International: \$50/ticket</li> </ul>	-----	-----
8. Magnolia Travel, Inc.	<ul style="list-style-type: none"> <li>• Domestic: \$40/ticket</li> <li>• International: \$70/ticket</li> <li>• Reissue: \$40/ticket</li> </ul>	\$25 per reservation	\$25 per reservation
9. Pro Travel of Hattiesburg	<ul style="list-style-type: none"> <li>• Domestic: \$35-\$40/ticket</li> <li>• International: \$50-\$75/ticket</li> <li>• Reissue: \$35/ticket</li> </ul>	\$25 per reservation	\$25 per reservation
10. The Travel Company, Inc.	<ul style="list-style-type: none"> <li>• Domestic: \$35-\$45/ticket</li> <li>• International: \$80-\$100/ticket</li> <li>• Reissue: \$35/ticket</li> </ul>	\$20 per reservation	\$20 per reservation

SOURCE: Department of Finance and Administration.

# Appendix E: Trip Optimizer System (Effective July 1, 2017)

State Of Mississippi Trip Optimizer System: Car Rental vs Mileage Reimbursement Calculator		
Traveler Name:	Agency #:	Travel Dates:
<b>Input Variables</b>		<b>Chart Help:</b>
Total Miles to be Traveled During Trip		← Input miles that exceed 100 miles per day
Total Days in Trip (24-hr periods)		← Use # of 24-hour periods (4 day trip = 4)
Total Miles to Rental Car location		← Input only the distance to the rental car location (this mileage will be doubled in the total calculation formula)
Vehicle Rental Daily Price		← Input price for rental vehicle using the vehicle rental rates ( <a href="#">See Vehicle Rental Rates Tab</a> )
Vehicle Rental Weekly Price		← Input price for rental vehicle <i>only if renting a car on a weekly basis</i> using the vehicle rental rates ( <a href="#">See Vehicle Rental Rates Tab</a> )
Miscellaneous Fees*		← Input any other fees charged including but not limited to sales tax, motor vehicle tax, and etc. to be charged due to form of payment
Cost of Gasoline per Gallon**		← Input current pump price (Utilize the higher cost between city from which the travel will begin and the destination)
Mileage Reimbursement Rate (if pool car is available)	\$ 0.17	← Current State Rate
Mileage Reimbursement Rate (if pool car <i>is not</i> available)	\$ 0.535	← Current State Rate
Average Rental Car Gas Mileage (MPG)		← Input average MPG for rental car type using the Average MPG chart ( <a href="#">See Average MPG Tab</a> )
<b>Calculated Results</b>		<b>Calculation Help:</b>
<b>Personal Owned Vehicle Cost (No Pool Car Available)</b>		
Total Reimbursement Expense	\$ -	← = Total Miles to be Traveled X .535
<b>Personal Owned Vehicle Car Cost (Pool Car Available)</b>		
Total Reimbursement Expense	\$ -	← = Total Miles to be Traveled X .17
<b>Rental Car Cost</b>		
Rental Cost	\$ -	← = Total Days in Trip X Car Daily Rental Price
Weekly Rental Cost	\$ -	← = Weekly Rental Cost
Taxes and Fees	\$ -	← = Total Amount of Additional Taxes and Fees
Refueling	#DIV/0!	← = (Total Miles in Trip / Average MPG) X Cost of Gas per Gallon
Total Rental Cost	#DIV/0!	← = Rental Cost + Taxes and Fees + Refueling + Distance from Home to Rental Car Location
<b>a</b>	#DIV/0!	← = Total Rental Cost - Total Reimbursement Expense @ .535/mi
<b>Dollars Saved - Pool Car Available</b>	#DIV/0!	← = Total Rental Cost - Total Reimbursement Expense @ .17/mi
<b>Special Conditions</b>		
* If the rental is not directly billed to the agency or charged on a Travel Card, sales and motor vehicle tax can be reimbursed. Contact the rental car company to obtain the added miscellaneous fees that will be added to the total, including tax from the city of which you will be renting.		
** Gas prices do fluctuate but an estimated price can be retrieved from sites such as <a href="http://www.gasbuddy.com">www.gasbuddy.com</a> .		

SOURCE: Department of Finance and Administration.





STATE OF MISSISSIPPI  
GOVERNOR PHIL BRYANT

DEPARTMENT OF FINANCE AND ADMINISTRATION  
LAURA D. JACKSON  
EXECUTIVE DIRECTOR



August 3, 2017

James A. Barber, Executive Director  
PEER Committee  
501 North West Street  
Woolfolk Building, Suite 301-A  
Jackson, Mississippi 39201

Dear Mr. Barber:

Thank you for the opportunity to review the draft PEER Report entitled *A Review of State Travel Expenses for Fiscal Years 2015 and 2016*. As you know, the Department of Finance and Administration (DFA) has many responsibilities regarding state travel, which spread across multiple offices at DFA. In addition to establishing the *State Travel Policy Rules and Regulations*, which serve as the foundational rules governing authorized travel expenses, DFA's systems provide the mechanisms for both employee reimbursements through SPAHRS, with detailed reporting available in MERLIN, and vendor travel payments and reporting through MAGIC.

As with any policy, regulation, or reporting tool, the first safeguard for the integrity of the process is the state agency. It is incumbent upon state agency personnel to read and follow all DFA guidelines regarding authorized travel expenses and reimbursement policies. Furthermore, it is the express responsibility of the using agency to ensure it is a good steward of taxpayer funds when authorizing any travel.

We appreciate your recommendations regarding improving our processes for post-audit of travel expenditures, which we already began July 1, 2017, following implementation of the Trip Optimizer System in accordance with House Bill 938 (2017). At that time, we revised our processes for post-audit of travel expenditures to insure compliance with the new law. We will also continue our efforts to promote economy and efficiency in travel policy, to include evaluation of the future use of travel agency contracts, as well as annual reporting of travel expenditures to the Legislature.

With regard to the recommendation that DFA ensure a consistent set of general ledger codes are utilized in producing reports, DFA is exploring the possibility of expanding the General Ledger (GL) Crosswalk between SPAHRS and MAGIC. If possible, this would allow us to map

James A. Barber  
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the detail earnings codes from SPAHRS to the related detail GL Code in MAGIC. MAGIC would then include the same detail level for expenditure posting as SPAHRS.

Again, we appreciate the opportunity to review the report and provide feedback. If we may be of any assistance to you and the Committee, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Laura D. Jackson". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Laura D. Jackson







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**James A. Barber, Executive Director**

Legal and Reapportionment

Ted Booth, General Counsel  
Ben Collins  
Barton Norfleet

Administration

Alicia Davis  
Deborah Hardy  
Gale Taylor

Quality Assurance and Reporting

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Matthew Dry  
Matthew Holmes  
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