

Good morning, Chairman Vigesaa and members of the House Appropriations committee.

My name is Austen Schauer, District 13, West Fargo.

**SB 2084** comes to you at the request of the Office of Management and Budget.

This bill seeks to amend and increase the “**state lodging and mileage rate.**”

Currently, **OMB** sets the lodging reimbursement rate at 90% of the **Federal GSA rate.**

The current **GSA rate** for North Dakota is **\$110**, which makes the allowable state rate at **\$99.**

When traveling in North Dakota, **OMB** says state officials, state employees and local government employees are seeing **fewer** hotels offering the state rate and **fewer** rooms available at the state rate.

According to **OMB**, this is happening in smaller towns, larger communities and communities located in or near the oil patch.

This is problematic for State employees who must spend additional time searching for state-rate hotels, or in some cases, paying the difference out of their own pocket.

In response to this problem, **OMB** says it will be updating its **505 Fiscal Policy.**

That means any state employees who can't find a room at the **GSA rate** will be allowed to stay at the most **cost-efficient** hotel.

The employee must document that they checked with three other hotels before choosing the one that makes the most sense in terms of vicinity, safety and other factors.

**SB 2084** also changes the Legislative Assembly's lodging reimbursement allotment. This comes on page 2, lines 18-19, in which the **percentage** for legislator room rates goes from **70 to 75%** of the State rate.

Finally, page 3, line 4, would allow State employees who live in bordering cities (such as East Grand Forks, Moorhead, or Breckenridge) to receive the **GSA mileage rate of 70 cents per mile** which is what State employees receive who live in North Dakota.

Currently, any state employee permanently located outside the state, or on assignment for an indefinite period (at least 30 days), is reimbursed at **45 cents per mile**.

**SB 2084** will increase State expenses (as you can see in the Fiscal Note) but we believe the need justifies the increase.

Thank you, Mr. Chairman and committee members. I will address any questions you may have.