

RECAL ACT

DESCRIPTION

The *Restored, Equitable, Coronavirus Adjusted Lodging (RECAL) Act* would freeze the daily per diem spending limit for FY2022 and FY2023 at FY2021 levels to avoid unnecessarily depressed per diem rates for hotels that serve government travelers. Federal travelers are a significant customer base for the hotel and lodging industry, and federal per diem rates have a large influence on per diem rates in the private sector. As a result, the per diem level will have a significant impact on the hotel and travel industry's recovery.

BACKGROUND

- The General Services Administration (GSA) establishes the per diem rates for the Continental United States (CONUS), which includes the 48 contiguous states and the District of Columbia. The per diem rates are the maximum allowances that federal employees are reimbursed for expenses incurred while on official travel.
- Per diem rates are updated annually according to average daily rate (ADR) information, less than five percent.
- GSA per diem rates are typically calculated on a 12-month basis beginning in April of the prior calendar year through March of the current calendar year. Per Diem rates are published in August each year and go into effect the following fiscal year.
- Due to stay-at-home orders, mandatory shutdowns and social distancing measures, some of which are still currently in place, the ADR collected this year and in the upcoming months will produce significantly depressed per diem rates.
- In light of the impact of COVID-19, GSA adjusted the FY21 data window for rate setting by one month (i.e. April 2019 through February 2020 in lieu of the standard April 2019 through March 2020).

SUPPORTERS

- American Hotel and Lodging Association
- Asian American Hotel Owners Association