

## Department of Planning and Budget

### 2009 Fiscal Impact Statement

**1. Bill Number:** SB936

House of Origin    ☐    Introduced        ☐    Substitute        ☐    Engrossed  
Second House       ☒    In Committee    ☐    Substitute        ☐    Enrolled

**2. Patron:**        Cuccinelli

**3. Committee:** General Laws and Technology

**4. Title:**        **Expand searchable database website for state payments and purchases.**

**5. Summary:** The engrossed bill requires the Auditor of Public Accounts (APA) to expand its searchable database to include payment, purchasing, and strategic planning information. The bill requires that, on or before July 1, 2009, the Governor, Secretary of Technology, and Chief Information Officer (CIO) provide the searchable database as a hyperlinked icon within the Online Services section of the Official Commonwealth of Virginia Home Page. The engrossed bill also calls for the Department of General Services (DGS), the Virginia Information Technologies Agency (VITA), and the State Comptroller to submit to the Information Technology Investment Board (ITIB) a standard for payment and purchasing information by December 1, 2009. It further calls for DGS and VITA to undertake to use these standards in their existing procurement system upon approval by the Information Technology Investment Board and require their use by all agencies and institutions by July 1, 2010.

**6. Fiscal Impact:** Indeterminate.

**7. Budget Amendment Necessary:** No.

**8. Fiscal implications:** Fiscal impacts from the engrossed bill are indeterminate but appear to be significant. The bill requires the DGS, VITA, and the State Comptroller to develop and maintain standard accounting information for use by all agencies and institutions for payments and purchases made. The standard information must be presented to the ITIB for approval as a statewide standard. The costs the three entities will incur is not known at this time but many hours of coordination and discussion will be needed to identify the complete set of data fields needed, examine format considerations, and prepare for presentation to the ITIB.

The engrossed bill may have a significant impact on all state agencies to implement and report the new standard accounting information to APA, especially if system changes are needed.

For example, among other payment and purchase data, the bill will require the APA to incorporate in their database copies of grants and contracts. DGS's Division of Purchases and Supply (DGS/DPS) believes they will require additional staffing to extract the data and submit it to the APA on a quarterly basis.

Further, DGS estimates its cost to be \$756,200 for personnel and \$750,000 for technology expenses to make the necessary computer programming changes in the Commonwealth enterprise electronic procurement system. Changes will be needed to: standardize accounting fields based on DOA accounting standards; modify and implement broker interfaces with agency systems; develop, maintain and manage the data export interface to a central public website; modify existing agency-specific automated workflow through the enterprise electronic procurement system; set up new user accounts in the enterprise electronic procurement system; and train new users on receiving and accounts payable processes.

DGS and DOA will incur shared costs to develop and implement a common key, as determined in the standard set by DGS, VITA and DOA, for matching the Commonwealth's enterprise electronic procurement system purchasing data and CARS data. Agencies that have enterprise systems (ERP) will have to modify their CARS interface/export file to implement the common key for matching procurement and expenditure data to export the data to the central public website. DGS estimates an average cost of \$100,000 per ERP, but costs could vary and the actual cost would need to be determined by each agency and institution impacted by the requirements in this bill. DGS believes there are 26 ERPs currently in the Commonwealth which will result in a cost of \$2.6 million for ERP modifications alone.

DOA may incur additional costs, but the impact will depend on the system and process design for a common key that is worked out with DGS. There is concern that additional programming resources may be needed.

Finally, The APA may also incur additional costs modifying its searchable database to include the new items specified in the bill.

**9. Specific Agency or Political Subdivisions Affected:** All state agencies and institutions that process their own payments and procurements.

**10. Technical Amendment Necessary:** Yes, all references to "Virginia Information Technology Agency" should be changed to "Virginia Information Technologies Agency".

**11. Other Comments:** None.

**Date:** 2/19/2009 wfb

**Document:** G:\BOS Stuff\2009 Session\2009 Legislation\SB936S1.Doc