

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2285

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

2. Patron: Cline

3. Committee:

4. Title: Secretary of Technology; Virginia Enterprise Applications Program; searchable database website of state budget expenditures and revenues

5. Summary: Requires the Director of the Virginia Enterprise Applications Program (VEAP) to maintain a searchable budget database website that would allow persons to search and aggregate information for individual or specific appropriations or budget items, and develop the data standards and data format necessary to support the searchable budget database. The director would be required to have the data standards and data formats established by January 1, 2010. The VEAP director would be required to have a pilot searchable database website operational and available to the public by July 1, 2010, and a fully operational searchable database website in place by July 2, 2011. When fully operational, all data in the database would be continually updated and will house historical information in perpetuity. The bill requires data supporting the Virginia Performs internet website and past performance outcomes achieved for funding actions or expenditures be included. The bill would require the VEAP director to work with the Auditor of Public Accounts (APA) and the Joint Legislative Audit and Review Commission (JLARC) to avoid any duplication of efforts.

6. Fiscal Impact Estimates: Indeterminate. See Item 8.

7. Budget Amendment Necessary: Yes. Item 63 will require an additional appropriation of dollars and positions.

8. Fiscal Implications: It is not possible at this time to determine the fiscal impact of this bill, as a thorough and time intensive analysis is necessary of five key deliverables: develop data formats and standards for all data transmitted to the searchable database by January 1, 2010; a pilot database must be established by July 1, 2010; all affected agencies must transmit data according to the format and standards established by July 1, 2011; year-end fiscal data and strategic planning data must be added to the system by July 2, 2011; and, the database must be updated with historical data prior to July 2, 2011.

To get an idea of the fiscal impact involved, one can examine actual costs from a similar application that was subjected to the same five deliverables. The Auditor of Public Accounts' (APA) Commonwealth DataPoint system contains expenditure, budget, revenue, and demographic information. The information on the DataPoint system is very similar to the requirements of this bill, and the historical cost for development and operations of the

APA system serves as a starting point for cost estimates for developing and maintaining a new searchable database.

While the history of the costs for developing DataPoint is not broken down by the key deliverables above, the following information attempts to identify the overall costs incurred for providing a pilot program, system implementation, establishing data management process and procedures, and determining the costs for ongoing maintenance.

Using the DataPoint model, VEAP estimates it will cost at least \$1.5 million to fund a pilot program, excluding potential systems changes to Department of Accounts (DOA) and Department of Taxation (TAX) for information data interfaces. VEAP anticipates production implementation costs to begin at \$522,562, plus an additional 7,000 staff hours (for hardware, software, and personnel), assuming the information can be made available from the accounting system and other sources. VEAP expects additional implementation costs to provide vendor data and to build a citizen friendly website using a business intelligence tool.

VEAP projects the data management costs to begin at \$394,680. Also, there will be future ongoing costs estimated at a minimum of \$458,468 each year which include four to five new programmers/database staff. These staff members will be responsible for data requests, conversion into the correct format, loading and maintenance of the database, as well as maintenance of the website, and responding to user inquiries. These estimates do not include any costs associated with the DOA reporting system if changes are necessary to capture expenditure information that may not be currently available. For example, in the DOA CARS system, revenues collected are not always tied to expenditure, especially when there are multiple sources that fund a particular expenditure. In addition, the estimated costs do not include any expense associated with the TAX systems if changes are necessary to capture revenue source information that may not be currently available.

In summary, preliminary projections to develop the searchable database are estimated to exceed \$3 million, as a starting point, with many unknown additional costs likely.

9. Specific Agency or Political Subdivisions Affected: Department of Planning and Budget, Department of Accounts, Auditor of Public Accounts, Joint Legislative and Review.

10. Technical Amendment Necessary: Yes. Lines 23 and 24 will need to be amended, as VEAP no longer reports to the Secretary of Technology and is now in Executive Offices.

11. Other Comments: The bill is identical to SB936.

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