

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB431

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Herring

3. Committee: Finance

4. Title: **State Government Spending Accountability Act.**

- 5. Summary:** This bill requires state agencies to maintain a transaction register of all funds expended over \$100 and post the register on the agency's website for public viewing and downloading on a monthly basis. The monthly register is to track each expenditure amount, name of payee, and detailed purpose of the expenditure. In addition, state agencies are to maintain on their websites a copy of each monthly statement for all credit cards issued to officers or employees for official use and a list of all of the number of full-time employees and the average compensation in each class, and specific compensation for each position receiving more than \$75,000 a year. All monthly statements and registers must be maintained on the website for at least five years.

In addition, the bill strikes the current section of the Code of Virginia (§ 30-133, H) that directs the Auditor of Public Accounts (APA) to maintain a searchable database providing certain state expenditure, revenue, and demographic data, and moves it to a separate section (§ 30-133.2). This section mandates the APA to assist state agencies in providing the required information listed above and to conduct a review of the searchable databases providing expenditure, revenue, and demographic information used by other states and to incorporate best practices for ease of use and transparency of state agency expenditures.

6. Fiscal Impact Estimates: Indeterminate, see Item 8.

7. Budget Amendment Necessary: Possibly, see Item 8.

- 8. Fiscal Implications:** This bill impacts all state agencies; however the impact cannot be quantified at this time. In addition, it mandates that the APA is to play a central coordination and assistance role.

Agency-level impacts:

As the introduced bill is written, it requires agencies to maintain searchable registers, updated monthly, on their individual agency's website. These include:

1. A transaction register including a complete record of: the transaction amount, name of the payee, and detailed statement of the purpose of the expenditure, for all funds expended over \$100. (Note: the register shall not include entries for salaries/wages

or other compensation paid to individual employees, nor any information that can be used to identify specific employees).

2. A copy of each monthly statement for all credit cards issued to officers or employees for official use. (Note: credit card numbers are to be redacted prior to posting).
3. A list including the number of full-time employees by class and the average compensation in each class, including the actual salary of any position paid \$75,000 or more. (Note: posting of compensation information by name is not required).

Currently, individual state agencies are responsible for providing the Department of Accounts (DOA) with most of the data required in 1. and 2. However, they are not responsible for providing this data in a public forum. As such, there may be costs involved with hiring, training, and maintaining additional personnel at all state agencies for this duty. In addition, this bill may result in significant costs to adapt all state agency websites to post these monthly registers, particularly considering the sensitivity of the personnel and financial data that would need to be provided in a safe and searchable manner. This would include both one-time costs for the initial programming and development of the site, in addition to on-going maintenance costs. Considering the high number of state agencies that would be responsible for implementing the requirements of this bill, there is potential for inconsistency and inaccuracy in this reporting.

Additionally, this bill potentially seeks to duplicate efforts for both gathering and presenting information. Some of the information that this bill requires to be provided from an individual agency level is already tracked at a statewide level by central-service state agencies: the APA currently tracks expenditure, revenue, and other demographical information on its website (DataPoint tool); DOA monitors all state expenditures through the state accounting system (CARS); and the Department of Human Resource Management (DHRM) maintains all personnel-related data. However, there are currently no standard methods for tracking “payee” information so there would need to be created a central listing of common vendor names or else manual entry would be required at the agency level for each of these vendors.

Another duplication of efforts of this bill is the requirement that the APA provide, in addition to maintaining the information currently provided through DataPoint, a central access point for all agency monthly register reports. This would create additional technology and personnel costs for the APA to duplicate these reports and stream them through their site.

Impact on the Auditor of Public Accounts:

The bill states that the APA is to pull all the information provided by the state agencies and localities together into one place on APA’s website. As such, there will be duplication of effort and resources for APA to replicate individual registers provided on agency/locality websites. At present, APA maintains a public database, DataPoint; this database already provides the information required by § 30-133.2 B. of this bill. This bill strikes the current statutory requirements for the searchable, web-based data base maintained by APA and sets out expanded requirements for such a data base to be maintained in conjunction with the Joint Legislative Audit and Review Committee (JLARC). Currently, APA is responsible for

maintaining the database, not JLARC. This may result in additional costs for these agencies.

In addition, this bill directs APA to conduct a review of the searchable databases used by other states and incorporate best practices for ease of use and transparency of state agency expenditures.

9. Specific Agency or Political Subdivisions Affected: All state agencies; specifically the Auditor of Public Accounts, the Department of Accounts, the Department of Human Resource Management; localities also impacted.

10. Technical Amendment Necessary: Yes, Line 50, strike “s” at end of “provides.”

11. Other Comments: None.

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