

# Commission on Local Government

## Estimate of Local Fiscal Impact

2017 General Assembly Session

**Bill:** SB 795

**Patron:** Sturtevant

**Date:** 1/20/2017

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

### Bill Summary:

Requires every locality and each school division located within the locality to post on the public government website of the locality a register of all funds expended, showing vendor name, date of payment, amount, and a description of the type of expense, including credit card purchases with the same information. A locality and school division may exclude from such posting any information that is exempt from mandatory disclosure under the Virginia Freedom of Information Act.

~~~~~

### Executive Summary:

SB 795 requires localities to post the register for funds expended on the public government website. Localities have evaluated negative fiscal impact ranging from \$1.00 - \$75,000.00. Localities noted that the bill would require significant staff time including costs to implement and to maintain the databases for local governments and school divisions. Localities also noted that the bill would require devoted staff time to ensure that no unintended/confidential information relative to a particular expense is displayed. Some localities noted that there would be no fiscal impact as they are already complying with the provisions of the bill.

\*\*\*\*\*

### Local Analysis:

**Locality:** City of Danville

**Estimated Fiscal Impact:** \$25,000.00

The City of Danville currently complies with this bill using an open data portal ([www.data.danvilleva.gov](http://www.data.danvilleva.gov)). The level of detail goes down to the credit card level charge, and should anyone want an itemized listing or copy of the actual receipt, it is available if requested. This information is updated monthly and syncs with our financial system.

The school division does not currently have this capability, and the figure above shows the amount to get implement this using quotes from our vendor. This figure does not include ongoing, yearly maintenance/ongoing training - which can be up to \$10,000.

~~~~~

Locality: City of Harrisonburg

Estimated Fiscal Impact: \$20,000.00

This would have a fiscal impact on both the city and city schools to implement. There would be significant staff resources needed from an already stretched staff. The estimate is a low estimate in that it may require the additional of staff to maintain the detailed information. There would be start up costs to implement that are difficult to determine including developing space on the website to store and display this information. Staff time would need to be devoted to reviewing and "scrubbing" descriptions of expenses to make certain that no unintended information relative to a particular expense is displayed. The city currently does not receive in any electronic format the type of detailed information that would be required for credit card transactions. Staff would have to work with the city's credit card provider to begin obtaining this information and also devote time adding descriptions to each and every credit card transaction.

Locality: City of Manassas

Estimated Fiscal Impact: \$35,000.00

This would require a one-time additional software set up of \$20,000 to make this change and an annual \$15,000 maintenance cost in order to maintain this every year going forward.

Locality: City of Norfolk

Estimated Fiscal Impact: \$1.00

Anticipated increase in local expenditures; however, exact impact is not known at this time. In order to comply with this bill, the city would need to design a new financial report to capture all the information above and design an application to display the information online. It is likely additional staff and/or outside technical assistance will be needed to meet the bill requirements.

Locality: City of Roanoke

Estimated Fiscal Impact: \$1,000.00

Though it is feasible to produce a report for publication, there are financial implications for guarding confidential information for benefit recipients and other information that would be required to remain confidential. There would be some financial impact derived from staff time that would be required to produce the reports and post them for public availability. On an annual basis, it could cost \$1000 to present the information. It is not possible to quantify the increased public contact to answer questions as a result of the information being readily available.

Locality: City of Winchester

Estimated Fiscal Impact: \$1.00

No impact to the City of Winchester as we already have an OpenGov transparency system

Locality: Fairfax County.

Estimated Fiscal Impact: \$75,000.00

The expense is estimated to be between \$25,000 and \$75,000 and represents the staff time necessary to extract, compile, and validate the data.

**Locality:** Henrico County

**Estimated Fiscal Impact:** \$60,000.00

The impact reflected in this analysis considers the minimum cost of acquiring a system from an outside vendor. This cost would go up depending on the size of the locality and popularity of the site with the public.

Henrico County has developed a system with internal resources that would provide most of the information required by this legislation. Significant additional resources would have to be allocated to provide the additional data, though it may slow the response time of the current tool developed.

**Locality:** Roanoke Valley-Alleghany Regional Commission

**Estimated Fiscal Impact:** \$2,280.00

The overall fiscal impact of this item would be minimal as this task is already performed in finance departments of all localities and school divisions in our region. The only foreseeable impact is personnel time involved in posting monthly ledger reports to agency websites. At an average of \$20/hr. for one finance department employee, it is estimated that it would take 30 minutes each month to prepare and post an electronic financial ledger to a website. That would yield \$120 per locality and school division. In the Roanoke Valley-Alleghany Region, there are 11 local governments and eight school divisions (19 x \$120 = \$2,280).

**Locality:** Spotsylvania County

**Estimated Fiscal Impact:** \$15,000.00

Staff time to complete the initial implementation equates to a minimum cost of \$15,000. This does not include costs associated with addressing credit card expenditures as credit card costs are not currently automated. After the initial implementation and roll out are complete, roughly one hour of staff time per week would be required to provide routine update and maintenance of files.

**Locality:** Town of Boones Mill

**Estimated Fiscal Impact:** \$2,000.00

This bill would have a significant fiscal impact on small towns like Boones Mill.

I like the fiscal transparency here. The Town currently compiles all transactions for review at monthly Town Council meetings. It's certainly more transparent to list it online.

But duplicating this list and posting it online would be a significant administrative burden and personnel cost. Our financial staff is town manager, town clerk, and a part-time office assistant. All these staff would be involved in the posting. I arrive at \$2,000 annual fiscal impact from \$20/hour staff time times 8 man-hours per month to compile the data and edit the web page. With our small town budget and limited staff, the fiscal impact is significant.

Is the transparency value worth the impact? I'm not sure.

**Locality:** Wise County

**Estimated Fiscal Impact:** \$1.00

Wise County already posts this information from our system on our website. As a clarification, on credit cards we only show the credit card company paid and of course it is by department and expense account. We have all info which is public information by credit card holder/employee. It appears that this bill would require a name which would require our AP person to key that information for each line which would take more time and be potentially less efficient. This information is always available by FOIA.