

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 71
Appropriations

(Delegate Carr, *et al.*)

Education, Health, and Environmental Affairs

Maryland Funding Accountability and Transparency Act - Nonbudgeted State
Agencies

This bill alters the Maryland Funding Accountability and Transparency Act to require the Department of Information Technology (DoIT) to update payment data on the existing searchable website on a monthly basis (by the 15th day of the month that follows the month in which an agency makes a payment to a payee). The bill also requires nonbudgeted State agencies to submit their payment data for inclusion in the website. Finally, the bill repeals obsolete language and makes stylistic changes.

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by at least \$18,900 only in FY 2021 for nonbudgeted agencies like the Maryland Transportation Authority (MDTA) and the Maryland Environmental Service (MES) to meet the bill's reporting requirements. To the extent that the General Accounting Division within the Comptroller's Office manages and validates the data before posting it on the website, it may need additional general fund resources to hire a fiscal accounts technician, as discussed below. Revenues are not materially affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Funding Accountability and Transparency Act of 2008 (Chapter 659) requires DoIT to develop and operate a free, public, searchable website that includes detailed information on State payments of \$25,000 or more, beginning with data for fiscal 2008. Payments to State employees and retirees as compensation or

retirement allowance, respectively, are exempt from inclusion on the website. The site is also required to include a search function that allows the public to submit queries based on, at a minimum:

- the name and zip code of the payee receiving a payment;
- the amount of a payment; and
- the agency making a payment.

The website must allow the user to search the data for fiscal 2008 and each year thereafter. State agencies must provide appropriate assistance to the Secretary of Information Technology to ensure the existence and ongoing operation of the website.

Background: DoIT, in consultation with the Department of Budget and Management (DBM), operates the website on the [Maryland Transparency Portal](#). Currently, the website is updated on an annual basis to include the most recent budget appropriation and audited financial data from the prior fiscal year.

State Expenditures: DoIT can extract data from the State's Financial Management Information System (FMIS) to upload monthly financial data on the website with existing resources. DoIT and DBM can train nonbudgeted agencies on how to submit the required data with existing resources. However, nonbudgeted State government units that do not use FMIS may incur additional expenses to submit data.

MDTA estimates one-time information technology (IT) costs of \$18,080 in fiscal 2021 to provide the requested data to DoIT. MES estimates one-time IT costs of \$800 in fiscal 2021. Thus, nonbudgeted expenditures increase by at least \$18,880 in fiscal 2021 for nonbudgeted agencies to meet the bill's reporting requirements.

MES advises that, since it operates on a fee-for-service basis, the additional expense will be billed to clients, including the State since MES provides services to State agencies. However, to the extent that MES charges higher overhead rates for its services as a result of the bill, the impact is small enough that it can be absorbed within State agencies' existing budgets.

Comptroller's Office

Under current law, DoIT uploads *audited* financial data from FMIS to the website following the end of each fiscal year. Thus, neither the Comptroller's Office nor DoIT conducts any significant quality control on the data being uploaded. The bill requires that *unaudited* financial data be uploaded on a monthly basis. The Comptroller's Office indicates that it may want to verify the data being transferred to DoIT, but the bill does not require it to do so. To the extent that the Comptroller's Office elects to manage and verify

the data, general fund expenditures increase by about \$55,000 annually to hire a fiscal accounts technician beginning in fiscal 2021.

Additional Comments: The purpose paragraph of the bill identifies DBM as the department responsible for managing the website, but DoIT actually manages the website.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Comptroller's Office; Maryland Department of Labor; Department of Information Technology; Maryland Automobile Insurance Fund; Maryland Food Center Authority; Maryland Environmental Service; Maryland Department of Transportation; Treasurer's Office; Department of Legislative Services

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