

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 244

(Senator Lam)

Education, Health, and Environmental Affairs

Appropriations

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. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by at least \$18,000 only in FY 2022 for nonbudgeted agencies like the Maryland Transportation Authority (MDTA) 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.

State Expenditures: 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.

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 \$18,000 in fiscal 2022 to extract the requested data from its financial system and provide it to DoIT. Based on an analysis of similar prior legislation, the Maryland Environmental Service may also experience minimal one-time IT costs in fiscal 2022. Thus, nonbudgeted expenditures increase by at least \$18,000 in fiscal 2022 for nonbudgeted agencies to meet the bill's reporting requirements.

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 2022.

Additional Information

Prior Introductions: HB 71 of 2020 passed the House and was referred to the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken on the bill.

Designated Cross File: HB 251 (Delegate Carr) - Appropriations.

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 Department of Transportation; Treasurer's Office; Department of Legislative Services

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