

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

House Bill 160
Ways and Means

(Baltimore County Delegation)

Budget and Taxation

Baltimore County Public Schools - Funding Accountability and Transparency Act

This bill requires the Baltimore County Board of Education to develop and operate a free, public, searchable website by January 1, 2013, that includes data on specified board payments of \$25,000 or more.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: None.

Local Effect: Local school system expenditures in Baltimore County will increase by approximately \$30,000 in FY 2013, additional ongoing expenditures in subsequent years will be minimal. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: The website to be developed by the Baltimore County Board of Education must provide information on payments made in fiscal 2012 and each subsequent year. Board payments of \$25,000 or more in aggregate to a single payee in a fiscal year must be included in the website, excluding payments to Baltimore County public school employees and retirees as compensation or retirement allowance, respectively, and excluding payments to a third party payee that accepts employee payroll-related payments, including (1) recurring payments for payroll taxes;

(2) employee payroll deductions; and (3) investment-related activities relating to fund balances.

Information on the website must include the name and zip code of the payee receiving payment, as well as the amount and purpose of the payment, and whether the payee is a minority business enterprise. The website must also include a search function that allows the public to submit queries based on the name and zip code of the payee.

The bill does not require disclosure of information that is confidential under federal, State, or local law. The website must be operational by January 1, 2013.

Current Law/Background: Chapter 659 of 2008, the Maryland Funding Accountability and Transparency Act of 2008, required the Department of Budget and Management (DBM) to develop a free, public, searchable web-based database by January 1, 2009, that includes detailed information on State payments made to vendors of at least \$25,000. Payments to State employees and retirees as compensation or retirement allowance were excluded. This web-based database, providing fiscal 2008 through 2010 information, is complete and available at <http://spending.dbm.maryland.gov>.

Chapters 558 and 559 of 2009 require State government units and other State entities to submit a report to DBM by September 1 after each fiscal year they provide a contribution, grant, or subsidy of \$50,000 or more to a grantee that is either a for-profit or nonprofit entity. The Maryland Department of Information Technology must develop and operate a searchable website, accessible to the public at no cost, which provides grantee report information in a specified format.

In 2008, the Howard County Council enacted a change to county law requiring the county to have a free, public, and searchable website. This county website must be implemented as soon as practical, but no later than June 30, 2010, and include, if practicable, payments made by the county in fiscal 2010. County payments of \$30,000 or more in aggregate to a single payee in a fiscal year must be included in the website, excluding payments to Howard County employees as salary or wages. Information on the website must include the name, and, if applicable, the parent entity of the payee receiving payments as well as the amount of the county award, the transaction type, the name of the unit of county government making the award, and the budget program fund source. The website must also include the location of the payee and the primary location of service performed as well as any other relevant information specified by the county.

The Montgomery County Council enacted a county law in 2009 similar to the one in Howard County that applies to any county payment of \$25,000 or more in aggregate. Chapter 424 of 2009 required the Montgomery County Board of Education to develop

and operate a free, public, searchable website by January 1, 2011, that includes data on specified board payments of \$25,000 or more.

Chapter 399 of 2010 requires the Howard County Board of Education to develop and operate a free, public, searchable website by January 1, 2012, that includes data on specified board payments of \$25,000 or more for fiscal 2011 and each subsequent year.

Local Expenditures: The Baltimore County Board of Education advises that an outside contractor will be needed to develop a searchable website for board of education payments, at a cost of approximately \$30,000. Additional ongoing expenditures will be minimal and can be handled with existing resources. The Maryland Department of Information Technology has previously advised that it used existing resources to develop the State's web-based searchable database on payments made to vendors but also indicated that the equivalent of approximately \$100,000 in staff time and other resources was involved in programming and development of the website.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore County, Maryland Department of Information Technology, Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2011
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