

TESTIMONY OF SANDY ZINCK
DIRECTOR OF THE GENERAL ACCOUNTING DIVISION
Letter of Information - Senate Bill 281 Comptroller - Online Payment Processing Portal
Health and Government Operations
February 17, 2022

Upon review, COM believes that the existing One Stop Vendor Payment Information System (OSVPI) and the new public-facing COM Payment Transparency Portal could satisfy many of the requirements identified in the proposed bill in the State Government Article § 4-113(C) which outlines the required functionality.

The State uses FMIS for invoice processing. FMIS was developed in the mid-1980s. It is a complex system with COBOL programming underpinning its functionality. FMIS is used by many (not all) State agencies for procurement and financial transactions. To satisfy **all** the requirements in the proposed bill, several options exist:

- Substantial programming development could be done in FMIS to build invoice imaging and workflow functionality. This will be a high-risk, time-consuming, and costly effort.
- An invoice imaging and workflow software could be procured, implemented, and interfaced into FMIS across the State. This will be a time-consuming and costly effort that would still interface to our antiquated FMIS core system.
- A new financial operating system could be procured and implemented to replace FMIS which could include the invoice processing transparency required by the proposed bill. This path, if selected, will be more extensive in scope and cost than COM's current COMPASS initiative. The benefits of implementing a new financial operating system that is required to be used by all State entities will be well worth the effort in terms of efficiency and transparency.

We respectfully ask that the existing bill language be updated to:

- Exclude State employee's payee data in the portal due to State Gov't. § 4-331, which prohibits release of home address information or telephone number of State employees.
- Exclude financial history or activities of an individual payee data in the portal based on State Gov't § 4-336, which prohibits release of information about the finances of an individual including financial history or activities
- Include a listing of which government entities payment data should be included in the portal.

Please see the table below for our feedback on such functionality:

Senate Bill 281 State Gov't. § 4-113 Annotated Code	Functionality/ Milestones	COM Comments
§ 4-113(C)(1)	Enable payee to confirm receipt by the State of any required documents the payee must submit to be eligible for payment	If the invoice submitted by the payee is in processing status in OSVPI, it can be inferred the agency has received all required documents to process payment. The OSVPI system shows both paid and unpaid transactions to the payee.
§ 4-113(C)(2)	Notify the payee when its request for payment: 1) is under review; 2) is approved for payment; and 3) has been paid by the State	The "push" of notifications will require the capturing of email addresses for all payees as well as technology to support invoice workflow. OSVPI today shows when an agency is processing the payment (2) and when the payment has been paid by the State (3).
§ 4-113(C)(3)	Provide the name/email address/telephone number of individual responsible for reviewing/approving payment	The name, email address and telephone number of individuals who are responsible for reviewing and approving a payment is not captured in FMIS today.
§ 4-113(C)(4)	Be integrated with eMaryland Marketplace	eMMA will house only procurement transactions. FMIS is the payment system of record.
§ 4-113(C)(5)	Allow the public to search payments: 1) made by payee using the name and address for the payee; and 2) by the unit of State government making the payment, geographic location of the payment, or category of the expense	Public payment portal currently in development. The law prohibits the following transactions to be displayed publicly: *Annotated Code, State Gov't. § 4-331 restricts the release of employee address; *Annotated Code, State Gov't. § 4-336 prohibits the release of finances of an individual including financial history of activities.
SB 281 Section 3(b)(1)	The requirements of § 4-113(c)(4) (requiring that the portal be operational and integrated with eMaryland Marketplace) must be operational on or before January 1, 2024	eMMA will house only procurement transactions. FMIS is the payment system of record.

A. Summarization of Concerns

- a. **COST AND TIME IMPACT:** Existing FMIS does not have the ability to be responsive to:
 - i. SFP § 4-113(C)(2): **Notify the payee** when its request for payment: 1) is under review; 2) is approved for payment; and 3) has been paid by the State
 - ii. SFP § 4-113(C)(3): **Provide the name, email address, and telephone number of the individual who is responsible for reviewing and approving apayment**
- b. **COST AND TIME IMPACT Strategic Direction of eMMA not fully executed** It is anticipated that eMMA will be strictly procurement transactions
 - i. SFP § 4-113(C)(4): Be integrated with eMaryland Marketplace;
 - ii. SFP §§ 4-113(B)(1) and(C)(4): requires that the portal be operational and integrated with eMaryland Marketplace on or before January 1, 2024

Solution: Use FMIS as source of portal

- c. **ANNOTATED CODE CONFLICT Scope concern; Conflicts with Annotated Code: State Gov't. § 4-331**, which prohibits release of home address information or telephone number of state employees; and State Gov't § 4-336, which prohibits release of information about the finances of an individual including financial history or activities
 - i. SFP § 4-113(C)(5) Allow the public to search payments: 1) made to payee using the name and address for the payee;

Solution: Clarify bill to exclude public reporting of employee information and no release of individual's financial history or activities.

- d. **CLARIFICATION NEEDED- Reportable government entities should be defined.** Include General Assembly? Judiciary? Universities? Nonbudgeted entities? Consider Separation of Powers
 - i. State Gov't. § 4-113(C)(5)(II): allowing the public to search by the unit of State government making the payment, geographic location of the payment, or category of the expense

Solution: Clarify bill to identify reportable government entities. If nonbudgeted entities are to report transactions, file development costs may exist.

Remove category of the expense requirement. Vendors are frequently used for more than one expense category.

ADDENDUM:

I. All public-facing portals must adhere to the following data restrictions set forth in Maryland's Public Information Act:

- a. Gen. Prov. ("GP") § 4-331: Prohibits release of home address information or telephone number of state employees
- b. GP § 4-336: Prohibits release of information about the finances of an individual including financial history or activities

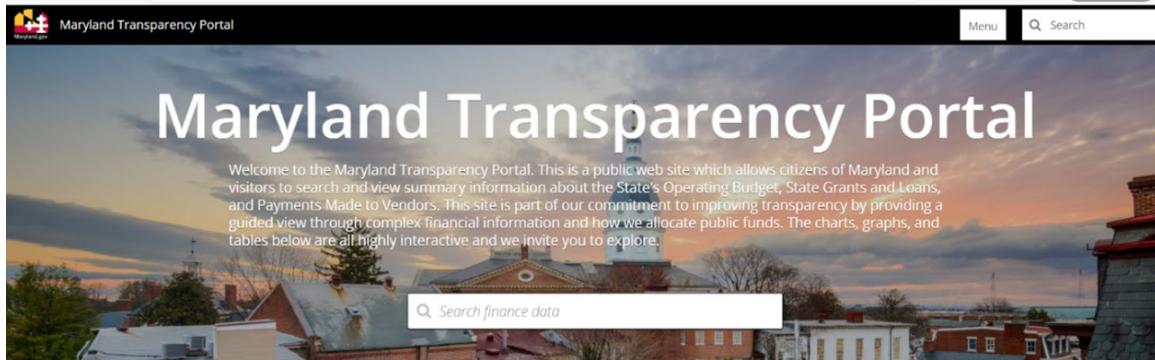
II. History of Existing Portals/Commentary

a. HB 358 (2008) and HB 251 (2021) established the existing Maryland Transparency Portal:

- i. Maryland Transparency Portal
 1. <https://mtp.maryland.gov/>
- ii. Statutory creation of the portal was originally found in State Fin. & Proc. ("SFP"), Title 3, subtitle 4. Subsequently moved to SFP, Title 3A, subtitle 3 upon the creation of DoIT as an independent State agency.
- iii. Initially the portal was established and maintained by DBM. This moved with DoIT when DoIT became an independent State agency.
- iv. SFP § 3A-302(c) limits the application of the provisions of subtitle 3 to the Executive Branch including public institutions of higher education, but excluding Morgan State Univ., the University System of Maryland, St. Mary's College of Maryland, and the Baltimore City Community College.

b. HB 251 (2021) Maryland Funding Accountability and Transparency Act Nonbudgeted State Agencies

- i. Amended SFP § 3A-313 to clarify that "agency" includes nonbudgeted agencies that receive funds that are not appropriated in the annual budget bill



c. Maryland Transparency Portal has the following data restrictions/exclusion:

- i. Dollar Threshold (Aggregate payment of \$25,000 in a fiscal year)
- ii. EXCLUDE ALL UNIVERSITY SYSTEM SCHOOLS, MORGAN STATE, & ST. MARYS
 EXCLUDE GENERAL ASSEMBLY
 EXCLUDE JUDICIARY
 EXCLUDE INTERNAL STATE PAYMENTS
 EXCLUDE LOTTERY WINNERS
 EXCLUDE GUARDIANSHIP SUBSIDIES (DHR FOSTER CARE)
 EXCLUDE COMPTROLLER TAX REFUNDS
 EXCLUDE COMPTROLLER UNCLAIMED PROPERTY REFUNDS
 EXCLUDE COMPTROLLER, RAD, MONTGOMERY COUNTY GRANT
 EXCLUDE COMPTROLLER, RAD, ESTATE TAX/ROW
 EXCLUDE COMPTROLLER, RAD, MOTOR FUEL TAX
 EXCLUDE COMPTROLLER, RAD, TAX INTERCEPTS DE, NJ, CT, NY
 EXCLUDE COMPTROLLER, RAD, TAX INTERCEPTS IRS
 EXCLUDE COMPTROLLER, RAD, ADMISSIONS/ AMUSEMENT TAX
 EXCLUDE COMPTROLLER, RAD, SALES TAX REFUNDS
 EXCLUDE DPSCS CRIMINAL INJURY COMPENSATION
 EXCLUDE DPSCS DEATH BENEFIT COMPENSATION
 EXCLUDE DPSCS COURT ORDERED COMPENSATION
 EXCLUDE DBM CCU PAYMENTS
 EXCLUDE SUBSEQUENT INJURY FUND PAYMENTS
 EXCLUDE UNINSURED EMPLOYERS FUND PAYMENTS

III. One Stop Vendor Payment Information (OSVPI) exists today. Portal allows vendors to research both paid and unpaid payments, and COM is currently developing an on-line payment portal that meets many of the proposed requirements in SB 281 and HB 308.

- a. Site: [Log On to GAD's Online Service Center \(marylandtaxes.gov\)](https://marylandtaxes.gov)
- b. Requires credentials to log into the tool.
 - i. Not accessible to the public without credentials
- c. Examples of OSVPI home page and portal in progress:

The screenshot shows the login page for the General Accounting Division's Online Service Center. The page has a blue header with the Comptroller of Maryland logo and the text 'General Accounting Division'. Below the header is a navigation menu with links for Home, Maryland Taxes, Maryland's Money, Comptroller of Maryland, Media Services, Online Services, and Search. The main content area is titled 'GAD's Online Service Center' and contains the following text:

If you are a vendor who does business with a **participating agency** of the State of Maryland, you may access the GAD Online Services including:

- One Stop Vendor Payment Inquiry
- Federal Liability Offset Letters
- 1099 Inquiry

To access please register or login below.

Register to Access GAD's Online Service Center
If you are a new user please [click here to register](#).

Log On to GAD's Online Service Center

Taxpayer ID Number: ?
 Password: ?

System Availability - The GAD Online Service center is available 24 hours a day, 7 days a week from any home, office, or public access point. However, information may not be available during times of system maintenance.
For assistance - contact the General Accounting Division:

- By phone Monday through Friday between 8:30 a.m. and 4:30 p.m. EST. at 410-260-7813 or toll-free at 410-260-7813
- By email at gadchecks@marylandtaxes.gov

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Search

This data represents only payments that have been disbursed

Vendor Name

Agency
 Please Select One

Payment Date
 From

Payment Number Invoice Description

Invoice Number Invoice Date

The Comptroller's Web Services Center is available 24 hours a day, 7 days a week from any home office, or public access point. However, data may not be accessible during times of system maintenance.

Search Results

This data represents only payments that have been disbursed

Agency	Vendor Name	Payment #	Payment Date	Payment Amount
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$29,378
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$12,992
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$689
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$537
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$73,775
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$57,514
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$5,198
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$4,059
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$16,695
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$1,859
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$135,441
Maryland District Court	WAL-MART STORES EAST LP	507229694	12/29/2021	\$623

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Payment Detail

Print

Back to Search Results

New Search

State Agency and Vendor

State Agency

Maryland District Court

Vendor

WAL-MART STORES EAST LP

Invoice Information

Invoice Number

890355

Invoice Date

12/25/2021

Invoice Description

MEDICAL CARE PMT FOR 395110300

Payment Information

Payment Number

507229694

Payment Date

12/29/2021

Payment Amount

\$29,378

Payment Type

ACH

Print

Back to Search Results

New Search

The Comptroller's Web Services Center is available 24 hours a day, 7 days a week from any home office, or public access point. However, data may not be accessible during times of system maintenance.

As always, the Comptroller's Office is willing and available to discuss these concerns or any questions you may have at your convenience. Please contact Justin Hayes, Legislative Director at jhayes@marylandtaxes.gov or 410-260-7696.

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