



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 15

PRINTERS NO. 531

PRIME SPONSOR: Christiana

FUND: General

COST / (SAVINGS)

FY 2010/11	FY 2011/12
\$0	\$225,000

SUMMARY: House Bill 15 provides for the establishment of a searchable budget database-driven Internet website detailing certain information concerning taxpayer expenditures and investments. The effective date is immediately after enactment.

ANALYSIS: The bill requires the State Treasury to develop, implement and maintain a single, searchable, public Internet website to be called PennWATCH (Pennsylvania Web Accountability, Transparency and Contract Hub). The PennWATCH website shall allow the public to search for and aggregate information at no cost. Implementation of the PennWATCH website is to be staged in two phases. The State Treasury is required to have the first phase of the PennWATCH website implemented and available to the public by December 31, 2011. Phase one data shall include:

- annual appropriation amounts;
- name, address and any applicable vendor identifier of any entity receiving payment;
- amount of funding action or expenditure (payment);
- the fund source and funding source (agency) authorizing the payment;
- the appropriation and appropriation fiscal year from which the payment is made; and
- a counter to show the number of times the PennWATCH website is being accessed.

The second phase of the PennWATCH website shall be implemented and available to the public by December 31, 2013. Additional data to be available after phase two is implemented shall include:

- if the payment was made under a contract, a hyperlink to the contract maintained under Chapter 17 of the Right-to-Know Law;
- a description of the program under which the payment was made;
- expected performance outcomes achieved from the expenditure, if available; and
- a hyperlink to any final State audit report related to the expenditure, program or the funding source.

Other specific dates by which additional data is required to be available on the PennWATCH website include:

- by February 15 of each year, beginning February 15, 2012, compensation data for all Commonwealth agency employees, including total compensation (gross salary, overtime and any bonus), name of the employee receiving the compensation, position title, and the funding source; and
- by August 31 of each fiscal year, beginning August 31, 2012,
 - taxes and revenue received by the Commonwealth in the previous fiscal year;
 - the total number of individuals employed by each Commonwealth agency for the previous fiscal year; and
 - links to each Commonwealth agency Internet website where available.

The bill also includes language to provide that the State Treasury may require the use of a classification system to allow consistent categorization of different types of goods and services that may be the subject of the funding action or expenditure. Additionally, the State Treasury is directed to work with Commonwealth agencies in maintaining a vendor identification system to provide a common designation for each payee and to facilitate aggregation of data from the PennWATCH website.

Commonwealth agencies are required to cooperate with and provide all required information to the State Treasury at the time the request for payment is submitted. Agencies are also required to verify the accuracy and completeness of information that is submitted to the State Treasury.

The State Treasurer is also directed to prepare a report containing information on the usage and performance of the PennWATCH website. The report is to be distributed annually to the General Assembly and the Governor beginning March 30, 2012. The State Treasury shall not be considered to be in compliance with the act unless all specified data for PennWATCH is available by the enumerated dates.

FISCAL IMPACT: As estimated by the State Treasury Department, the enactment of this bill will result in costs of approximately \$225,000 for the development and implementation of the first phases of the PennWATCH website, including the data requirements for February 15 and August 31, 2012. Development and implementation costs of the PennWATCH website are higher than might be expected due to the lack of integration of all financial accounting systems in the Commonwealth and the very outdated information technology systems currently operated by State Treasury (mainframe running on COBOL). It is anticipated that phase one costs will not be incurred until 2011-12 due to the time it will take to enact the bill.

The staggered implementation of the PennWATCH website and the extended time period for development will allow the State Treasury to incorporate the design of PennWATCH into Treasury's current information system upgrade being undertaken. It is estimated that phase two costs of PennWATCH development and implementation will cost no more than \$175,000 over the succeeding two year design and implementation period.

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House Appropriations Committee (R)
DATE: February 8, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.