

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 15

PRINTER'S NO. 2167

AMOUNT

\$827,000

FUND

General Fund

DATE INTRODUCED

January 19, 2011

PRIME SPONSOR

Representative Christiana

HISTORY OF BILL

Referred to STATE GOVERNMENT, Jan. 19, 2011

Reported as amended, Jan. 25, 2011

First consideration, Jan. 25, 2011

Laid on the table, Jan. 25, 2011

Removed from table, Jan. 25, 2011

Re-committed to APPROPRIATIONS, Jan. 31, 2011

Re-reported as committed, Feb. 7, 2011

Second consideration, with amendments, Feb. 8, 2011

Re-committed to APPROPRIATIONS, Feb. 8, 2011

Re-reported as committed, Feb. 8, 2011

(Remarks see House Journal Page 151-176), Feb. 8, 2011

Third consideration and final passage, Feb. 9, 2011 (197-0)

(Remarks see House Journal Page), Feb. 9, 2011

In the Senate

Referred to FINANCE, Feb. 14, 2011

Reported as amended, June 22, 2011

First consideration, June 22, 2011

Second consideration, June 23, 2011

Re-referred to APPROPRIATIONS, June 23, 2011

Re-reported as committed, June 26, 2011

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DESCRIPTION AND PURPOSE OF BILL

House Bill 15 establishes the Pennsylvania Web Accountability and Transparency Act, or PennWATCH. The legislation provides for the establishment of a searchable budget database-driven Internet website detailing certain information concerning taxpayer (i.e. state) expenditures and investments.

House Bill 15 requires the Office of Administration to develop, implement and maintain a single, searchable, public Internet website to be called PennWATCH, which will allow the public to search for and aggregate information at no cost. The Internet website shall provide the annual appropriation information and funding action or expenditure information for Commonwealth agencies. By December 31, 2012, information on the Internet website shall include:

- The name and address of the Commonwealth agency or other entity and the applicable identifier under the newly established vendor identification system of the entity receiving payment.
- The amount of the funding action or expenditure.
- The agency initiating the funding action or expenditure.
- The applicable appropriation and appropriation fiscal year from which the expenditure is made.
- A counter to show the number of times the Internet website is accessed.
- The funding source.

House Bill 15 provides that beginning December 31, 2012 and each month thereafter, the Internet website shall show all Federal and State revenue that has been deposited in the State Treasury by type and amount. Also, the PennWATCH website shall include links to each Commonwealth agency Internet website where available.

By December 31, 2012, the website shall show the total number of individuals employed by each Commonwealth agency as of the 15th day of the previous month. PennWATCH shall show the name, position title and current annual salary for each individual employed by each Commonwealth agency based on the employee's pay schedule and current salary.

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By December 31, 2014, PennWATCH shall report the following additional data:

- A description of the appropriation under which the funding action or expenditure is made.
- The expected performance outcomes achieved from the funding action or expenditure, if available.

Information exempt from disclosure under pertinent statute or exempted from disclosure under the Right-to-Know Law shall not be included on the Internet website. Information for a fiscal year shall remain on the Internet website for a period of at least eight years from the date of posting.

Commonwealth agencies are required to cooperate with and provide the Office all required information at the time the request for funding action or expenditure is paid by the State Treasury. In addition, each Commonwealth agency shall provide the Office with complement and employment compensation information as required under this act prior to the end of each month. Each agency is responsible for verifying the accuracy and completeness of the information submitted in a specified file format.

Each agency shall establish and maintain the information required to be posted in a manner prescribed by the Office. The Office shall consult with judicial agencies, legislative agencies and other Commonwealth agencies to develop the format to be utilized.

The vendor identification system specified by the Office of Administration shall be used to provide a common designation of each entity and to facilitate aggregation.

The Office of Administration shall prepare an annual report containing statistical information on the usage and performance of PennWATCH, which shall be submitted to the General Assembly and the Governor by March 30 of each year beginning March 30, 2014.

This act shall take effect immediately.

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FISCAL IMPACT:

House Bill 15 is expected to cost approximately \$827,000 in the first year of implementation. Following implementation, the annual operating costs may be reduced because certain start-up expenses will not recur from year to year, and maintenance of the system is likely to require fewer employees than development of the system. For example, initial hardware and software purchases needed to create the PennWATCH website will not necessarily be purchased on an annual basis. PennWATCH is projected to require five employees at an annual cost of \$514,000 for salaries and benefits during its initial year of operation. Hardware costs should total \$144,000, and software costs are expected to be \$136,400. Other miscellaneous costs will be approximately \$32,000.

Once PennWATCH becomes fully operational, the number of employees needed to operate and maintain the system can be reduced from five to three. This would result in an annual savings of about \$200,000 in salary and benefit costs. Because PennWATCH will be developed and maintained by the Office of Administration, the Information Technology complement employed by the Office can assist with the maintenance of PennWATCH on an ongoing basis. Therefore, coupled with other non-recurring costs for hardware and software, the annual costs in years following the first year of implementation could be less than \$600,000 annually.

The Legislative Data Processing Center (LDPC) reviewed Senate Bill 105, which is very similar to House Bill 15, and provided assistance in determining the fiscal impact of the legislation. LDPC provides bipartisan computer support to the General Assembly. LDPC's responsibilities include computer and network support services; applications development and reporting services; website hosting, creation, design and maintenance services; acting as a central repository of data; and redistricting support. Because of its experience in these areas, LDPC is uniquely qualified to assist in projecting the cost of establishing a searchable budget database-driven Internet website.