

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO.

Senate Bill 105

PRINTER'S NO.

982

AMOUNT

\$827,000

FUND

General Fund

DATE INTRODUCED

January 12, 2011

PRIME SPONSOR

Senator Browne

HISTORY OF BILLReferred to FINANCE, Jan. 12, 2011Reported as amended, Feb. 14, 2011

First consideration, Feb. 14, 2011

Re-referred to APPROPRIATIONS, Feb. 16, 2011Re-reported as amended, April 5, 2011**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 105 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.

Senate Bill 105 requires the Independent Fiscal Office 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 vendor 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.

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- The funding source.
- The newly established classification system, if required.

Senate Bill 105 provides that beginning by December 31, 2012 and each month thereafter, the Internet website shall report State revenues that have been deposited into the General Fund and the Motor License Fund by type and amount. Also, the PennWATCH website shall include links to each commonwealth agency Internet website where available.

By September 1, 2013, 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 annualized salary for each individual employed by each Commonwealth agency based on the employee's pay schedule and current salary.

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

- A description of the program 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 ten years from the date of posting.

Commonwealth agencies are required to cooperate with and provide the Independent Fiscal Office all required information at the time the request for funding action or expenditure is submitted, and each agency is responsible for verifying the accuracy and completeness of the information submitted in a specified file format.

The Independent Fiscal Office 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 a funding action or expenditure. The Office may also develop and maintain a vendor identification system for use by all Commonwealth agencies in order to provide a common designation of each payee and to facilitate aggregation of data on the public Internet website. The vendor identification system shall be compatible with existing systems within commonwealth agencies.

The Independent Fiscal Office 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.

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This act shall take effect immediately.

FISCAL IMPACT:

Senate Bill 105 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 Independent Fiscal Office, 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 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.