

**Department of Legislative Services**  
 Maryland General Assembly  
 2010 Session

**FISCAL AND POLICY NOTE**

House Bill 174 (Delegate Miller, *et al.*)  
 Health and Government Operations

**Maryland Funding Accountability and Transparency Website - State Loans**

This bill requires the Department of Information Technology (DoIT) to include information about loans of \$25,000 or more on the Maryland Funding Accountability and Transparency web site.

The bill takes effect July 1, 2010.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$140,000 in FY 2011 for contractual services. Future year estimates reflect elimination of one-time costs and inflation. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	140,000	15,200	15,300	15,500	15,600
Net Effect	(\$140,000)	(\$15,200)	(\$15,300)	(\$15,500)	(\$15,600)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal or none.

**Analysis**

**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 and 2009 information, is complete and available at [www.spending.dbm.maryland.gov](http://www.spending.dbm.maryland.gov). Chapter 659 also required the Chief of Information Technology to conduct a study, by June 30, 2010, of the feasibility and cost of expanding the web site to search by different elements and include information on other forms of assistance in the amount of \$25,000 or more. This study has not been completed to date.

In the 2009 session a separate law was enacted, creating section 7-406 of the State Finance and Procurement Article, to require reporting on State grants. Chapter 558/559 of 2009 requires DoIT to develop and operate a searchable web site, accessible to the public at no cost, which provides grantee report information in a specified format. This requirement is currently being implemented with DoIT's existing staff resources. A reporting template has been developed to capture relevant information in a way that can be analyzed, compared, and reported. In November 2009, this template was transmitted to State agencies and they were asked to compile and report the specified information. At this time, the final pieces of data are being collected. Since funding was not appropriated for this purpose, the information will be posted on DBM's existing web site in a low or no cost manner. DBM advises that it does not intend to design and launch a more sophisticated, searchable web site as required by Chapter 558/559 of 2009 until additional resources are made available.

DoIT, created by Chapter 9 of 2008, is responsible for information technology (IT) matters across State agencies. The former DBM Office of Information Technology and the Major Information Technology Development Fund were consolidated into DoIT. The mission of DoIT is to provide IT leadership to the Executive Branch in order to effectively oversee and manage State IT resources. DoIT is also responsible for coordinating, purchasing, and managing all telecommunications devices and systems utilized by State agencies.

**State Fiscal Effect:** DBM reports the exact number of loan recipients in the State is not known, as they are not coded in the State Financial Management Information System (FMIS) in a clear and consistent manner. Nevertheless, DBM developed the following estimates concerning State loans of \$25,000 or more:

- 2,000 to 3,000 loans administered by the Department of Natural Resources;
- 20 loans administered by the Maryland Higher Education Commission;
- 22 loans for water and wastewater infrastructure improvements to be made by the Maryland Department of the Environment in fiscal 2011; and
- 90 to 100 loans made by the Department of Housing and Community Development in fiscal 2009.

DBM advises that the loan data targeted by the bill differs from the data currently on the Maryland Funding Accountability and Transparency web site in that it 1) is dynamic and must be extracted from a variety of sources instead of just being pulled from FMIS; and 2) requires data categories that do not overlap with the existing data categories on the Maryland Funding Accountability and Transparency web site. As a result, the Maryland Funding Accountability and Transparency web site cannot be easily modified to provide the information required by this bill.

While the Maryland Funding Accountability and Transparency web site could be rebuilt to accommodate a variety of data sets, it may cost approximately the same amount as creating a new site.

Therefore, DoIT general fund expenditures increase by \$140,000 in fiscal 2011, which reflects the bill's July 1, 2010 effective date. This estimate assumes that DoIT and DBM absorb project management and data collection costs and use an in-house contractor to develop and maintain a new web site. This estimate assumes DoIT's in-house contractor is responsible for web site testing and implementation as well as hardware, software, server space, and back-up arrangements. Future year web site maintenance expenditures reflect 1% annual increases in ongoing operating expenses.

**Additional Comments:** DBM advises that it may be possible to develop a new web site to provide information about grants, as required by Chapter 558/559 of 2009, and the loan information required by the bill, which amends a different section of law, as those sets of data are close in type. Consolidating these two efforts may result in some cost savings. To the extent that one web site can be developed to accommodate the requirements of this bill and the 2009 law, it may cost approximately half of the estimated cost.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Department of Information Technology, Department of Legislative Services

**Fiscal Note History:** First Reader - February 2, 2010  
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