



## DEPARTMENT OF AUDITS AND ACCOUNTS

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February 23, 2017

Chairman Bill Heath  
Chairman, Senate Government Oversight  
110-C Capitol  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
Senate Bill 19 (LC 43 0475)

Dear Chairman Heath:

This bill would require the Office of the State Treasurer (OST) to maintain a searchable database of all state government expenditures, publish graphical representations of the data, and make the database available to the public through the agency's website. Each state entity would be required to provide expenditure data to OST on a monthly basis to include in the database and maintain a link to the database on its website. The website would begin with fiscal year 2018 data and the database would be available to the public within six months of the close of each fiscal year.

OST estimated first-year expenditures to implement the bill using a cloud-based hosting solution at approximately \$3.1 million, with \$2.3 million being one-time, startup costs (**Table 1**). In later years, annual costs are estimated at approximately \$1 million. This estimate assumes approximately 125 state entities would be reporting expenditures and that the system must include bandwidth to support many concurrent connections on a daily basis. Prior to utilizing a cloud hosting solution, OST would need to ensure that the hosting provider is in the United States and that the State of Georgia would maintain ownership of all data.

**Table 1. OST Estimate of Expenditures Required by LC 43 0475**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
System & Program Development	\$2,300,000				
Personnel	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000
Data Center Services	\$19,058	\$19,058	\$19,058	\$19,058	\$19,058
System Maintenance & Development		\$250,000	\$220,000	\$200,000	\$200,000
Office	<u>\$48,000</u>	<u>\$32,000</u>	<u>\$32,000</u>	<u>\$32,000</u>	<u>\$32,000</u>
<b>Total</b>	<b>\$3,087,058</b>	<b>\$1,021,058</b>	<b>\$991,058</b>	<b>\$971,058</b>	<b>\$971,058</b>

Because OST does not currently have the required infrastructure, it would use consultants to develop and provide ongoing maintenance for a system that accepts information from state entities and is accessible online. OST would also hire and train new staff to maintain the system and support the validation and submission process.

Costs may also be impacted by the reporting frequency for state agencies. While the bill requires OST to make expenditure data for the fiscal year available on its website, state entities must provide the information to OST each month. Reporting information on a monthly basis increases the need for staff to support the data validation and submission process. Monthly reporting would also contribute to costs associated with providing customer support.

Finally, it should be noted that the Department of Audits and Accounts (DOAA) is required to collect expenditure data, including personal services costs and payments made or due to vendors by state agencies, universities, local education agencies, and other reporting units. The Transparency in Government Act (SB 300), passed in 2008, requires that the information be made available to the public through the website [www.Open.Georgia.gov](http://www.Open.Georgia.gov) (the data is not presented in the format required by the current bill). At the time of the bill's passage, DOAA utilized existing staff and funding to implement the provisions of SB 300 and did not receive additional funding. This bill does not eliminate DOAA's responsibility for collecting and publishing state expenditure data. As a result, state agencies would be required to report expenditure information to both DOAA and OST.

Sincerely,



Greg S. Griffin  
State Auditor



Teresa A. MacCartney, Director  
Office of Planning and Budget