

# **SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL**

## **FISCAL NOTE, 2008 LEGISLATIVE SESSION**

### FISCAL NOTE 2008-HB1233a

HB 1233 bring transparency to state spending by requiring the Bureau of Finance and Management to create a website making certain state government information available to the public.

Efforts similar to HB1233 have been very popular in the other states. A proponent clearing house reports 16 different state efforts in 2008 with an additional nine states having either enacted legislation or implemented some program via executive order in 2007. Unfortunately, however, reliable information concerning the costs of establishing these programs is not readily available. Further, these programs vary considerably in terms of their content and detail which can have a significant impact on their fiscal impact.

However, based on what we have been able to learn in the time available, there will be costs attached to implementing programs of this type. The range of such fiscal impacts that we have been able to document follows:

1. A Fiscal Note prepared by the Texas Legislative Budget Board estimates “no fiscal implication to the State is anticipated.” However, further research indicated that this was due to the fact that the Texas Comptroller had already started motion a large-scale effort to completely revamp their account reporting system at a cost of \$4,415,650.00. The interface to facilitate public internet access to this new database was one component of the overall effort. The cost for this one deliverable was \$310,000.00. However, absent the broader effort, the costs of this part as a stand-alone would have been higher.
2. Missouri reports costs of \$256,280.00 reflecting a total of 5,289 hours of State staff and consultant time for initial development of its program by reprioritizing existing resources.
3. Using the consultant hours required to support the Missouri effort at the South Dakota vendor rate as the base, the Bureau of Finance and Management estimated costs to develop and maintain this type of program. In addition, the Board of Regents estimated its cost for developing the additional interfaces to its new system based on the costs of the recent revamping of that system. The combined result was an estimated total fiscal impact of \$612,840.00 for one-time development and implementation costs, with a continuing annual cost of \$109,240.00. These estimates include costs attributed to the Bureau of Information Technology, BFM, and the Board of Regents.

BFM maintains these costs would not be offset to any extent by savings in the way information requests are currently handled.

4. A Fiscal Note prepared by the Washington State Office of Financial Management initially estimated a fiscal impact for implementation of \$1,381,662.00, with continuing costs of \$775,120.00 for 2009-11 and thereafter. However, this initial note was subsequently revised upwards to \$2,518,662.00 for initial costs with continuing costs of \$1,181,120.00 for 2009-11 and thereafter. The upward revision was necessitated by receipt of information concerning actual costs for required software licenses.

APPROVED BY: \_\_\_\_\_ Signed By Jim Fry - Director of LRC \_\_\_\_\_ DATE: 2/13/2008