

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 848 (Delegate Simonaire)
Ways and Means

Anne Arundel County Public Schools Funding Accountability and Transparency Act

This bill requires the Anne Arundel County Board of Education to develop and operate a free, public, searchable website by January 1, 2017, that includes data on specified board payments of \$25,000 or more.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County Public Schools (AACPS) expenditures increase by approximately \$30,000 in FY 2017 for website development. Future year expenditures should not exceed the current amount appropriated to maintain the existing website. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: The website to be developed by the Anne Arundel County Board of Education must provide information on payments made in fiscal 2016 and each subsequent year. Board payments of \$25,000 or more in aggregate to a single payee in a fiscal year must be included on the website, excluding payments to Anne Arundel County public school employees and retirees as compensation or retirement allowance, respectively.

Information on the website must include the name and zip code of the payee receiving payment, as well as the amount of the payment. The website must also include a search function that allows the public to submit queries based on the name and zip code of the payee. The board must post the information on the website in a timely manner.

The bill does not require disclosure of information that is confidential under federal, State, or local law. The website must be operational by January 1, 2017.

Current Law/Background: The Anne Arundel County code specifies that the county purchasing agent must publish on the Anne Arundel County website all awards of contracts for capital improvements, contractual services, professional services, or supplies of \$25,000 or greater awarded by the county. The website must provide the following information: (1) the name and address of the entity receiving the award, and any affiliated company providing goods or services under the agreement; (2) the amount of the award; (3) the method or type of procurement; (4) the name of the department responsible for the contract; (5) the budget funding source; (6) the purpose of the award; (7) any known affiliation that the entity receiving the award may have with a county employee or official that is disclosed by the entity through the procurement process; and (8) for business entities, the names and titles of persons executing the contract on behalf of the business entity.

The website is required to list all applicable awards beginning with fiscal year 2009 and be updated on a monthly basis. The information regarding each individual award must be preserved on the website for a period of one year.

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 through 2014 information, is complete and available at <http://spending.dbm.maryland.gov>.

Chapters 558 and 559 of 2009 require State government units and other State entities to submit a report to DBM by September 1 after each fiscal year they provide a contribution, grant or subsidy of \$50,000 or more to a grantee that is either a for-profit or nonprofit entity. The legislation also required the Maryland Department of Information Technology to develop and operate a searchable website, accessible to the public at no cost, which provides grantee report information in a specified format. This website, providing fiscal 2009 through 2014 information, is available at <http://dbm.maryland.gov/agencies/operbudget/Pages/grantspayments.aspx>.

In 2008, the Howard County Council enacted a change to county law requiring the county to have a free, public, and searchable website. This county website was to be implemented as soon as practical, but no later than June 30, 2010, and include, if practicable, payments made by the county in fiscal 2010. County payments of \$30,000 or more in aggregate to a single payee in a fiscal year must be included in the website, excluding payments to Howard County employees as salary or wages. Information on the website must include the name and, if applicable, the parent entity of the payee receiving payments as well as the amount of the county award, the transaction type, the name of the unit of county government making the award, and the budget program fund source. The website must also include the location of the payee and the primary location of service performed as well as any other relevant information specified by the county.

The Montgomery County Council enacted a county law in 2009 similar to the one in Howard County that applies to any county payment of \$25,000 or more in aggregate. Chapter 424 of 2009 required the Montgomery County Board of Education to develop and operate a free, public, searchable website by January 1, 2011, that includes data on specified board payments of \$25,000 or more for fiscal 2010 and each subsequent year.

Chapter 399 of 2010 required the Howard County Board of Education to develop and operate a similar free, public, searchable website by January 1, 2012, that includes data on specified board payments of \$25,000 or more for fiscal 2011 and each subsequent year.

Chapters 488 and 489 of 2011 required the Prince George's County Board of Education to develop and operate a similar website by January 1, 2013. Chapter 394 of 2012 altered the requirements for the website to include specified budget data, beginning with fiscal 2013, and to allow users to search for data by individual school.

Chapter 105 of 2011 required the Baltimore County Board of Education to develop and operate the same type of website by January 1, 2013, but excluded data relating to third-party payees that accept employee payroll-related payments and included data relating to the purpose for each payment and whether the payee is a minority business enterprise.

Local Fiscal Effect: AACPS reports that it has contracted with Spikes Cavell, a data management company, for their Spotlight on Spend accountability system that is available on the AACPS website. The site allows the public to search monthly vendor payments since July 2010. Information searches are available by time period, expense type, or zip code. Spotlight on Spend provides data on total monthly payments, whereas the bill requires searches for each individual payment in excess of \$25,000. AACPS advises that the current website does not allow for this. AACPS currently spends less than \$15,000 annually to maintain the Spotlight on Spend website. AACPS advises that creating a new

website will increase costs by approximately \$30,000 in fiscal 2017. Future year expenditures should not exceed the current amount appropriated to maintain the existing website.

Additional Information

Prior Introductions: None.

Cross File: SB 484 (Senator Simonaire) - Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel County, Anne Arundel County Public Schools, Department of Legislative Services

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