



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 40 of the 132nd G.A.

Status: As Passed by the House

Sponsor: Reps. Dever and Greenspan

Local Impact Statement Procedure Required: No

Subject: To require the Treasurer of State to establish the Ohio State Government Expenditure Database

State & Local Fiscal Highlights

- The required database has already been implemented on the Office of the Treasurer's website. The bill's requirement to implement the Ohio State Government Expenditure Database therefore represents codification of current practice of that Office. This provision may entail ongoing maintenance costs, but the bill specifies that the Office must fulfill the requirement using existing resources.
- The provision requiring all state agencies to place links to the database on their websites may minimally increase various state agencies' administrative costs. However, the bill specifies that state entities must comply with all of the requirements in the bill using their existing resources. Thus, any increase in costs related to the requirements under this bill would be paid out of state agencies' existing budgets.
- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill requires the Treasurer of State (TOS) to establish and maintain an expenditure database, the Ohio State Government Expenditure Database. The Database must be available on the Treasurer's website and accessible to the public at no charge, and include certain information related to expenditures of state entities made in each fiscal year that commences after the bill's effective date. The bill requires state entities to assist the Treasurer in the development, establishment, operation, storage, hosting, and support of the Database at no cost to the Treasurer. The bill specifies that state entities must comply with the bill's requirements using their existing resources.

The bill specifies that each state entity must display on its website a prominent Internet link to the Database. Each state entity, at least monthly and through the Ohio Administrative Knowledge System (OAKS),¹ must provide information to the Treasurer

¹ OAKS is an enterprise resource planning software system integrating central government business functions, including human resources, procurement, budgeting, accounting, and asset management.

for inclusion in the Database regarding each of the entity's expenditures paid to a vendor for the preceding month. The bill also requires the Department of Administrative Services or the Department of Education, as applicable, to provide data related to state and school district employee salary and employment information to the Treasurer.

The bill includes various requirements regarding the content and features of the Database, reporting about usage of the Database, and the bill authorizes the Treasurer to adopt reasonable rules related to its requirements. Finally, the bill prohibits the Database from including any information that is determined to be confidential or is not a public record under Ohio law.²

Fiscal effect

The bill simply codifies the requirement that the Treasurer of State must establish and maintain an expenditure database, the Ohio State Government Expenditure Database. In December 2014, the Treasurer of State's Office created "Ohio Online Checkbook," that is posted on the Treasurer's website and accessible to the public at no charge.³ Currently, the Checkbook includes information related to expenditures of state entities made in FY 2008 through FY 2018, and in the first few months of FY 2019, and the Checkbook provides a link to the Treasurer's website for salary information about state and school district employees. Thus, it appears to satisfy most, and possibly all, of the bill's provisions regarding the required database. The bill provisions require the database to be maintained on a monthly basis, which implies ongoing administrative costs. However, the bill specifies that the work must be paid out of existing budgetary resources.

The provision that requires each state entity to provide certain data to the Treasurer for inclusion in the Database may not have any fiscal effect on the entities' administrative costs since all the information related to state entities' expenditures is currently held in OAKS. The bill also requires state agencies to place links to the Database on their websites. The bill specifies that state entities must comply with all of the requirements in the bill using existing resources and no state entity is allowed to charge the Treasurer for any costs arising from complying with the requirements. Thus, any increase in such costs would be paid from each agency's existing budget. It may be possible for state agencies to comply with the bill's requirements at no additional cost, but LSC economists are unsure that the no-additional-cost requirement guarantees that. The bill does not specify what an agency should do if it cannot comply with the bill's provisions with existing resources.

² The bill provides that the Treasurer and the Treasurer's employees are not liable for the disclosure of a database record that is determined to be confidential or is not a public record under Ohio law.

³ The Ohio Treasurer of State website is located at www.tos.ohio.gov. A comparable database is also currently available on the Office of Budget and Management's website.

The bill generally excludes local governments from the definition of state entity. As a result, it creates no direct fiscal impact on local governments. Also excluded from the definition are state institutions of higher education and the five public employee retirement systems.