



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 324 of the 130th G.A.](#) **Date:** November 19, 2014
Status: As Reported by House Finance and Appropriations **Sponsor:** Reps. Duffey and C. Hagan

Local Impact Statement Procedure Required: No

Contents: Creates the DataOhio Board, the data.Ohio.gov website, makes other changes regarding the availability of public records and data sets

State Fiscal Highlights

- The bill requires the Auditor of State to establish, by rule, uniform accounting procedures and charts of accounts for use by public offices. Costs related to this requirement would likely be paid from GRF appropriation item 070321, Operating Expenses.
- The Auditor of State could incur costs for computer equipment, software, and labor necessary to develop and implement the data.Ohio.gov website to host public records and data sets as required by the bill. If the Auditor chooses to create and manage the website using a turnkey application provided by a private vendor, then annual software licensing fees might apply.
- The bill requires public records and data posted on a public website by a public office to meet certain formatting standards. Public offices could incur costs to reformat data if necessary to meet those standards. The costs would depend on the amount of data and the technological and labor resources needed to reformat this information.
- The bill requires public offices to include in their public records policy a statement of which public records, if any, the public office posts in accordance with the bill's formatting requirements. Public offices could incur negligible costs to amend their public records policies in this regard.
- The bill creates the Local Government Information Exchange Grant Program within the Department of Administrative Services (DAS); it is unclear what fund will be used to support the program.
- The funding is for grants to counties, townships, and municipalities for use in posting certain data to the Internet. Regional planning commissions, metropolitan planning organizations, and regional councils of governments may also apply for grants on behalf of local governments.

Local Fiscal Highlights

- Political subdivisions that choose to participate in the Local Government Information Exchange Program could incur costs to comply with data formatting and posting standards established by the Director of Administrative Services. These costs could be at least partially offset by a \$10,000 grant awarded under the program.
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Detailed Fiscal Analysis

Auditor of State

The bill requires the Auditor of State to establish, by rule, uniform accounting procedures and charts of accounts for use by public offices. The Auditor of State must establish these rules within two years of the bill's effective date. Under the bill, a public office is considered to be any state agency, public institution, political subdivision, other organized body, office, agency, institution, or entity established for the exercise of any function of government, but does not include JobsOhio. While the bill does not require public offices to adopt these procedures or charts of accounts, any public offices that use these procedures and charts would be awarded a "DataOhio Transparency Award – Uniformity of Accounting" designation. Finally, the bill requires that the Auditor of State submit to the General Assembly proposed legislation to establish uniform accounting procedures and charts of accounts for all public offices within four years of the bill's effective date.

Because the bill does not require any public entities to adopt the rules established by the Auditor of State, there would appear to be no direct fiscal impact on local governments unless they choose to undertake any accounting changes as a consequence of the bill. On the state level, the Auditor of State will incur some administrative costs for establishing rules pertaining to uniform accounting procedures and uniform charts of accounts. Costs would likely be paid from GRF appropriation item 070321, Operating Expenses.

Presumably, the accounting rules adopted by the Auditor of State would to some degree resemble the standards that currently apply for public entities that report financial information to the state on the Uniform Accounting Network (UAN). The UAN is a computerized financial management and accounting software system provided and operated by the Auditor. As of this writing, the UAN serviced 1,155 townships, 435 villages, 136 libraries, and 88 special districts with essential auditing and payroll functions. The system is supported by subscriber fees ranging from \$8 per month for entities with annual revenues under \$50,000 to \$325 per month for entities with revenues higher than \$10.0 million in annual revenues. These amounts are deposited into the Uniform Accounting Network Fund (Fund 6750). Ultimately, it is

possible that any rules adopted by the Auditor regarding statewide accounting standards could be incorporated into the UAN and would require little action by UAN users.

Public records and data sets website

The bill requires the Auditor of State to establish and operate the data.Ohio.gov website to function as a portal and catalog where public records and data sets of public records can be located and accessed by the public. Under the bill, the website may contain original data, data sets that contain original content or summarized content of data sets obtained from public offices. The bill prohibits posting data sets of public records obtained from public offices directly and instead requires this type of information to be accessible via links to the websites of the public offices. The bill also requires the Auditor to adopt rules specifying the policies and procedures for administering and operating the website and make every effort to ensure data posted there is in an open format and is machine readable. Additionally, the bill requires the Auditor to consult with the State Librarian regarding the collection, aggregation, presentation, and accessibility of data in relation to the website and to consider affiliating data.Ohio.gov with the federal government's data website located online at data.Ohio.gov. Finally, the bill specifies that the Auditor may not charge a fee in relation to data.Ohio.gov.

The Auditor of State would incur costs to develop and implement the website required under the bill. Data websites of other states, including Colorado, Hawaii, and Oregon, which have websites that appear to serve a similar purpose to that of the proposed data.Ohio.gov, were implemented using a turnkey application offered by a private vendor. According to the vendor, annual licensing for the software used in those states is a few hundred thousand dollars each year depending on which features of the application are used. Ultimately, costs incurred by the Auditor would depend on any computer equipment, software, and labor necessary to establish the website. The costs associated with the data.Ohio.gov website would likely be paid from the GRF under appropriation item 070321, Operating Expenses.

Formatting standards for public records and data sets

The bill requires public records and data sets that are posted by a public office to a public website to be in a format that is capable of being searched, viewed, and downloaded by the public and to be machine readable. However, the bill makes no requirement for public offices to post public records online. Instead, the bill specifically grants public offices discretion to determine which public records will be posted in accordance with the bill's standards. Under the bill, a statement of which public records will be posted in accordance with the bill's standards must be included in public offices' public records policies. Alternatively, a public office could choose to not post any public records in accordance with the bill's standards so long as the public office's public records policies includes a statement indicating this decision. In any case, the bill

requires a public office to submit changes to its public records policy in regard to which public records are posted, or that no public records are posted, to the DataOhio Board (discussed below). Ultimately, public offices that choose to post public records and data sets to public web pages in accordance with the bill's standards could incur costs to comply with the requirements. The costs involved with posting data online in the form required by the bill would hinge on the amount of any data that would require reformatting, and any computer hardware, software, or labor that might be needed to accomplish the task. These costs might vary quite considerably. Additionally, public offices could incur negligible costs to amend their public records policies to reflect which public records, if any, will be posted online in accordance with the bill's standards.

DataOhio Board

The bill establishes the state DataOhio Board for the purpose of recommending the types of public records and data that should be available online and standards for those records and data to ensure they are posted in an open format and comparable across governmental units. The bill requires the Board to produce a report of its recommendations, within one year of the bill's effective date, and by March 31 each year thereafter. Membership of the Board is to consist of the Governor and the four other statewide elected officials, the Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate, the Chancellor of the Ohio Board of Regents, the State Librarian, one member who represents data consumers, three members representing local governments, and one or more nonvoting ex officio appointees. Members of the Board are to serve without compensation, but would be reimbursed for actual and necessary expenses incurred in performance of their duties as members of the Board. The bill does not specify what entity is to provide administrative support to the Board, but does require the State Library of Ohio to provide meeting space.

Local Government Information Exchange Grant Program

The bill creates the Local Government Information Exchange Grant Program in the Department of Administrative Services (DAS). The program would provide grants of \$10,000 to local governments and public libraries to use for posting certain data on the Internet. The bill also allows regional planning commissions, metropolitan planning organizations, and regional councils of governments to apply for grants on behalf of a local government or group of local governments. Under the bill, these organizations would be awarded grants of \$10,000 for each eligible local government on behalf of whom they applied. It is unclear what fund would be used to provide these grants.

Under the bill, the Director of DAS is required to establish eligibility criteria for entities that apply for funding under the Local Government Information Exchange Grant Program. These criteria include: (1) specifying what data must be posted, (2) requiring that the data be posted in an open format and be searchable, viewable, and

available for downloading by the public, (3) technological standards and formatting specifications for the data, and (4) specifications for accounting standards for data provided by local governments. Local governments that choose to participate in the program could incur costs to meet these criteria. However, these costs would be at least partially offset by the grant award.

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