
DIGEST

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SB 13 Reengrossed

2018 Second Extraordinary Session

Ward

Present law provides that the commissioner of administration shall establish and maintain a website to post reports of state spending. The reports shall include the nature and amount of appropriations for the executive branch of state government contained in the General Appropriation Act and other acts for each budget unit, annual salaries, and total compensation of statewide elected officials and cabinet-level positions and the total number in the table of organization for each budget unit. The website shall have a monthly report of spending by each such budget unit.

Present law further provides that the website shall also have information regarding state contracts, including contract amount, a brief description of the purpose of the contract, the beginning and ending dates of the contract, the name of the contracting agency, the name of the contractor, and the city and state of the contractor. Proposed law restates and expands present law. Proposed law repeals that provision of present law.

Proposed law defines "commissioner", "contract", "incentive expenditure", and "state agency" for purposes of proposed law.

Proposed law requires the commissioner of administration to establish and maintain a website to post data and reports of state expenditures, contracts, incentive expenditures, revenues, and other financial matters. The website shall serve as an interactive portal for the public to access such information in each fiscal year. The website shall be searchable and have a mobile and tablet mode.

Proposed law requires the website to include the nature and amount of appropriations contained in the annual appropriation acts for the executive, judicial, and legislative branches of government.

Proposed law requires the commissioner to ensure that the website contains the following information from state agencies that administer or allocate the programs for which information is required to be included in the website pursuant to proposed law:

- (1) All expenditures of state funds.
- (2) Minimum Foundation Program transfers.
- (3) Revenue sharing and aid to other levels of government.
- (4) All incentive expenditures.
- (5) Capital outlay.
- (6) The annual salaries and total compensation of statewide elected officials and cabinet-level positions in the executive branch of government.
- (7) The table of organization for each state agency.
- (8) A monthly report of revenue collections and expenditures by each state agency.
- (9) The revenue and expenditure data on federal, state, and local fiscal matters maintained by the state Department of Education on its website.

- (10) Mandated interagency transfers, such as fees to the legislative auditor, fees to the treasurer, annual payments to the office of risk management, and contributions to retirement systems and benefit plans.

Proposed law requires the website to include a boards and commissions database that contains membership information, employee information, and financial and budget information required by R.S. 49:1302 and R.S. 24:513.2.

To the extent available, such expenditure information shall be searchable individually or in the aggregate by:

- (1) Fiscal year.
- (2) Department.
- (3) Category and subcategory of expenses, including but not limited to:
 - (a) Personal service expenses, including salaries, wages, other compensation, and post-employment benefit obligations.
 - (b) Travel expenses.
 - (c) Operating service expenses.
 - (d) Supply expenses.
 - (e) Professional service expenses.
 - (f) Other subcontractor expenses.
 - (g) External transfers for tax and legal compliance.
 - (h) All other external transfers.
 - (i) Acquisitions, major repairs, and capital expenses.
 - (j) Other expenses.
- (4) Transaction-specific detail, including, where available, for each expenditure:
 - (a) The name of the entity making the expenditure.
 - (b) The name of the person or entity receiving the payment.
 - (c) The date and the amount of the expenditure.
 - (d) A standardized descriptive title of the type and purpose of each expenditure.
- (5) Means of finance and source of funds, if available.
- (6) Contractor, grantee, vendor, or recipient of state funds.
- (7) Details of expenses charged to credit, debit, or other purchase cards and related fees, to the extent available from the card issuer.

Proposed law provides that the website shall contain all audits of state agencies by the legislative auditor, including but not limited to audits of revenues, contracts, expenditures, and incentive expenditures.

Proposed law requires the database to allow users to search and aggregate payments, including the total amount of state funding awarded by all state agencies to individual contractors, grantees, vendors, recipients of state funds, and governmental entities.

Proposed law provides that the website shall include or provide access to the following information related to revenues on which state expenditures are based:

- (1) The official forecast and incentive expenditure forecast adopted by the Revenue Estimating Conference.
- (2) The tax exemption budget prepared by the Louisiana Department of Revenue under R.S. 47:1517.
- (3) The Annual Tax Collection Report prepared by the Department of Revenue.
- (4) Monthly reports provided by the Department of Revenue on net collections and distributions and severance tax collections and distributions.

Proposed law requires the commissioner to ensure the website includes a contracts database that is searchable electronically by the public and contains the following information for each contract:

- (1) The contract amount.
- (2) A brief description of the purposes of the contract.
- (3) The beginning and ending dates of the contract.
- (4) The name of the contracting agency.
- (5) The name of the contractor.
- (6) The city and state of the contractor.

The database shall, at a minimum, allow users to:

- (1) Search and aggregate records by agency.
- (2) Search and aggregate contracts by contractor.
- (3) Search and aggregate contracts by number and amounts of such contracts by type of service.
- (4) Download information yielded by a search of the database.

The website shall provide access to, or integrate into, information from legally required reports on contracts including:

- (1) Information required to be published on the division of administration's website by present law.
- (2) Copies of the monthly reports submitted to the Joint Legislative Committee on the Budget (JLCB) under present law.
- (3) The annual report on the progress of the Hudson Initiative required to be made available on the internet by present law.
- (4) The annual report on the progress of the Veteran Initiative required to be made available on the internet by present law.

Proposed law provides that for all state contracts with a projected expenditure value of \$5 million or more per year on an annualized basis, the information required for nongovernmental organizations as set forth in present law shall be provided and published on the website. Such information shall be required only for contracts that are approved on or after July 1, 2018, the effective date of proposed law, and shall be provided no later than

six months after the date of contract effectiveness, and shall be updated no less often than every 12 months thereafter.

Proposed law requires information to be furnished by state agencies that administer an incentive expenditure program for any incentive expenditure entered into on or after July 1, 2018, and the commissioner is required to ensure that such information shall be included on the website. The administering state agency shall report, or require the recipient to report, in each fiscal year, the following:

- (1) The name of the recipient of the incentive expenditure.
- (2) The corporate domicile of such recipient.
- (3) The number and demographics of the recipient's personnel employed in-state and out-of-state, and the amount of health insurance coverage provided as a result of the incentive benefit.
- (4) The benefits received or to be received by the state as a result of the incentive expenditure.
- (5) The annual and total estimated value of the benefits to such recipient.
- (6) The means of finance, and source of funds, used for payments to a recipient.
- (7) The recipient and any sub-recipient, upon request from the JLCB, shall provide specific information regarding the use of the incentive expenditure as requested by the committee.

Proposed law requires such information to be provided no later than six months after the effective date of such incentive expenditures and shall be updated no less often than every 12 months thereafter. The state agencies that administer such programs shall provide, or shall require the beneficiary of such programs to provide, sufficient information to satisfy the requirements of proposed law. The direct recipient shall assume responsibility for reporting the information required in proposed law.

Proposed law provides that the website shall include the following information provided by the state retirement systems:

- (1) The number of active and retired employee members of the system.
- (2) The amount of the normal cost of retirement for active employees by plan.
- (3) The amount and percentage of the unfunded accrued liability of the system.
- (4) Investment fees.

Proposed law requires the state treasurer to provide the following information relative to bonds issued by the State Bond Commission:

- (1) The amounts and categories of state bonded indebtedness.
- (2) The amounts and categories of local debt backed by the full faith and credit of the state.
- (3) The annual costs of debt service by category and budget unit.
- (4) The sources of funding for the bonds.
- (5) The per capita costs of state bonded indebtedness.
- (6) National and other state comparisons of the state's bonded indebtedness.

- (7) The information used to determine the state's net state tax supported debt and the net state tax supported debt report.
- (8) Official statements.
- (9) The cost of issuance of state bonds issued by the State Bond Commission.

Proposed law requires the website to include the following information provided by the state treasury:

- (1) The state treasury's cash flow policy.
- (2) The cost of investment of state funds, the basis of the compensation, and the financial institutions, financial advisors, investment managers, and investment advisors involved in the transaction.
- (3) Access to a dedicated funds database, including an electronic database of reports supported by appropriations from dedicated funds required by present law.
- (4) The unclaimed property database.
- (5) Contracts for financial advisors.

Proposed law requires the commissioner, subject to legislative appropriation, to take all necessary steps to establish, fully implement, and maintain the LaGov statewide enterprise resource planning system maintained by the office of technology services in the division of administration throughout the executive branch of state government, by no later than October 1, 2021. Requires that the commissioner, subject to legislative appropriation, take all necessary steps to finalize the website on or before July 1, 2019.

Proposed law provides that all state agencies, higher education agencies, the judicial branch and the legislative branch which are not maintained on the LaGov website shall either:

- (1) Elect to join the LaGov statewide enterprise resource planning (ERP) system.
- (2) Report the information required in proposed law to the office of technology services in the division of administration in the same format and manner as provided in proposed law.

Proposed law provides that all reporting shall be submitted electronically and in the same manner as prescribed for all agencies in the LaGov ERP system.

Proposed law requires the commissioner to create and submit a schedule of completion of the LaGov system biannually, at a minimum, to the JLCB until full implementation of LaGov has occurred.

Proposed law requires the website to have an easily identifiable internet address and a dedicated link that is prominently displayed on the home pages of:

- (1) Louisiana.gov.
- (2) The division of administration.
- (3) The office of the governor.
- (4) The legislature.
- (5) The legislative auditor.
- (6) The state treasurer.
- (7) The Public Service Commission.

(8) Each statewide elected official.

Proposed law further provides that each state agency shall display on its website a link to the fiscal transparency website and the fiscal transparency website shall display links to each state agency.

Proposed law provides that the commissioner shall promulgate rules in accordance with the Administrative Procedure Act necessary for the implementation of proposed law.

Proposed law prohibits the commissioner from charging a fee to the public to access the fiscal transparency website. Further provides that the commissioner shall take all appropriate steps to establish public awareness of the website.

Proposed law further provides that state agencies that administer or allocate state funds to local political subdivisions and receive periodic reports of the use or expenditure of the state funds by the local political subdivisions, shall submit such reports to the division of administration to be included on the website.

Proposed law provides that the website shall contain or provide access to state agency reports required by law. Further provides that unless otherwise provided in proposed law, information on the website shall be updated at least monthly.

Proposed law provides for an employment and salary database that contains information on all state agencies, including the name of the agency, the name of the employee, the job title, the employee's salary, and the total compensation paid to the employee the prior fiscal year, including overtime, stipends, and allowances, but excluding employee benefit payments and nontaxable employee reimbursements. The website shall contain information regarding the number of authorized positions and the number of vacant positions for each budget unit contained in the general appropriations act and the ancillary appropriation act.

Proposed law provides that parishes, municipalities, school boards, and other political subdivisions may, at their option, link to the website.

Proposed law does not require or permit the disclosure of information that is considered confidential under state or federal law, and lists information that shall not be included on the website. Proposed law requires the commissioner, with the assistance of each state agency, to develop a list of all information that shall be either redacted or reported in the aggregate in order to protect the confidentiality of the information or to protect a person's reasonable right to privacy. The list shall be subject to the approval of the Senate Committee on Finance and the House Committee on Appropriations prior to implementation and shall be reported to the JLCB at its next meeting after such approval.

Proposed law requires the website to graphically display, including by way of charts and graphs, the information regarding state government contracts, expenditures, and incentive expenditures, in each fiscal year. Proposed law also requires the website to summarize the information in order to provide transparency to and ease of use by the persons utilizing the website.

Proposed law provides that all information on the website shall be available for the public to download free of charge and without the requirement of user registration. The website shall also contain information regarding how the public may request copies of public records.

Proposed law requires all agencies in the executive branch to submit comprehensive data to the commissioner, and such data shall be of the type, extent, format, frequency, and timing specified by the commissioner.

Proposed law provides that internal auditors of the state agencies required to have an internal audit function shall report to the commissioner any findings of state agencies, contractors, grantees, vendors, or recipients of state funding that are not in compliance with the requirements of proposed law. Proposed law requires the commissioner to report agency noncompliance with proposed law to the JLCB on at least a quarterly basis.

Proposed law requires the legislative auditor to perform periodic and unscheduled reviews of state agencies, contractors, grantees, vendors, or recipients of state funds to ensure compliance with proposed law. The auditor shall report to the commissioner and the JLCB any findings of noncompliance with proposed law.

Proposed law requires the auditor to submit for publication on the website, all audits performed as authorized by a state agency contract, expenditure, or incentive expenditure.

Proposed law provides that any state agency whose internal audit or legislative audit contains findings indicating a violation of the constitution or laws of Louisiana or findings of fraud, waste, and abuse, shall be subject to periodic and unscheduled investigative audits by the internal auditor and the legislative auditor for a probationary period of not less than three years.

Proposed law provides that in the event the judicial or legislative branch elects to join the LaGov ERP system, as opposed to being linked through a portal, no provision of proposed law shall be construed as conferring upon the division of administration any authority to review, approve, or deny any expenditure or contract entered into by the legislature or the judiciary, or to impose any requirement on the legislature or judiciary to take any action other than to disclose expenditures and contracts entered into on or after July 1, 2018.

Effective July 1, 2018.

(Adds R.S. 39:16.1–16.12; repeals R.S. 39:6(C))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Provides that a direct recipient of an incentive expenditure is responsible and not liable to report information under proposed law.

Senate Floor Amendments to engrossed bill

1. Makes technical corrections.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the reengrossed bill:

1. Delete the requirement that contractors list each subcontractor who is paid \$1,000 or more per year for services under the contract.