

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Eng Analyst: Janet Jennings Bill Number: AB 1899
Related Bills: See Legislative History Telephone: 845-3495 Introduced and: February 16, 2010 &
Amended Dates: March 15, 2010
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agencies Post Specified Audits & Contracts To The Reporting Transparency In Government Internet Web Site

SUMMARY

This bill would codify Executive Orders S-08-09 and S-20-09, which require state agencies to post various reports to the Reporting Transparency in Government Web site.

SUMMARY OF AMENDMENTS

The March 15, 2010, amendments removed duplicate language and added additional requirements for posting to the Reporting Transparency in Government Web site. The additional posting requirements would impact the office of the Governor, not the Franchise Tax Board (FTB), and will not be addressed in this analysis.

This is the department's first analysis of this bill.

PURPOSE OF THE BILL

The legislative intent language of this bill indicates the purpose is to continue the Legislature's commitment to promoting transparency in state government.

EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2011. The operative dates of the various provisions are different and will be discussed separately in this analysis.

POSITION

Pending.

ANALYSIS

STATE LAW

Executive Order S-08-09 ordered state agencies and departments to post to the Reporting Transparency in Government Web site audits of their operations performed by outside entities dating back to January 1, 2008. Additionally, agencies must post financial and programmatic audits that they and other departments have done on their own operations and audits they have performed on other governmental entities dating back to January 1, 2008.

Board Position:

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Department Director

Date

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04/09/10

Executive Order S-20-09 requires posting to the Reporting Transparency in Government Web site for the following items:

- Program reviews
- Monitoring, and accountability reports
- Evaluations
- Inspections
- Assessments and studies of operations

Documents are to be posted within five working days of finalization.

Existing state law prohibits the disclosure of any taxpayer information, except as specifically authorized by statute. Generally, disclosure is authorized to other state tax agencies, federal tax agencies, and the Multistate Tax Commission solely for tax administration purposes. Additionally, the FTB is authorized to publish statistical data related to taxpayer information so long as no individually identifiable information is revealed. Unauthorized disclosure of state tax information is a misdemeanor and unauthorized disclosure of federal tax information is a felony.

Each state agency is responsible for its own services acquisitions program. This responsibility includes ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, writing the contract in a manner that safeguards the state's interests, and obtaining required approvals. State agencies use contracts, purchase orders, interagency agreements, and memorandums of understanding to implement services acquisition programs.

THIS BILL

This bill would require a state agency to post to the State's Reporting Transparency in Government Web site the following:

1. Operations audits, as defined, conducted by the agency itself or another agency finalized between January 1, 2008, and December 31, 2010, shall be posted by February 15, 2010. For reports finalized on or after January 1, 2011, posts must be done within 15 calendar days of finalization.
2. Effective January 1, 2011, the Department of General Services (DGS) and the office of the State Chief information Officer (CIO) will post any contract awarded by the state between January 1, 2008, and December 31, 2010, valued at \$5,000 or more.
3. Within 15 calendar day of signing by all parties to the contract, a state agency must post any contract it awarded on or after January 1, 2011, valued at \$5,000 or more, within 15 calendar days of signing by all parties to the contract.
4. The DGS and the CIO will assist a state agency to comply with these requirements.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs and operations. Contract information is currently posted to the e-Procurement system as discussed below under Program Background.

LEGISLATIVE HISTORY

AB 1194 (Strickland, 2009/2010) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available by July, 2010, and be updated monthly. This bill failed to pass out of the Assembly Business and Professions committee by the constitutional deadline.

SB 502 (Walters, 2009/2010) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available January 1, 2010, and updated annually. This bill failed to pass out of the Senate Governmental Organization committee by the constitutional deadline.

SB 719 (Huff, et al., 2009/2010) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill failed to pass out of the Senate Appropriations committee by the constitutional deadline.

SB 1494 (McClintock, 2007/2008) would have required a state agency to develop a publicly accessible Web site containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available by July 1, 2009, and be updated annually. This bill failed to pass out of the Senate Appropriations committee by the constitutional deadline.

PROGRAM BACKGROUND

The e-Procurement system is a centralized database of information on state contracts and purchases over \$5,000. This database is available on the California Department of General Services Web site, and the State's Reporting Transparency in Government Web site. Each state agency is required to report its contracts to DGS. The public can download information on the procurement expenditures of each state department and agency.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This bill would not impact state income tax revenues.

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