

**Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement**

Position Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
Department of Planning and Budget		6 to 11	6 to 11	6 to 11	6 to 11	6 to 11
TOTAL		6 to 11	6 to 11	6 to 11	6 to 11	6 to 11

Fiscal Analysis: State agencies collect information from localities as required by law, regulation, or in support of funding formulas. Data is collected so that applicable agencies can a) ensure that state and federal laws / requirements are being met and b) so that applicable funding streams can be distributed accurately. Data is collected from localities in a variety of data formats dictated by the legal and business needs of applicable programs using various systems. In many cases, the systems used are subcomponents of larger agency systems and the data collected from localities contains a varying level of sensitive information.

This bill would require the Department of Planning and Budget (DPB) to essentially replace or duplicate many systems and processes currently managed by multiple agencies into one omnibus system in order to collect data from localities. Currently, each data collection is designed with the requirements of the individual applicable programs involved and combining the capabilities and data structures of all current systems and processes into one system will be a large undertaking.

Identifying the applicable programs and data structures alone will likely be a multi- month effort which will require the assistance of consultants and the involvement of the impacted state agencies. This task needs to be accomplished as part of creating the system requirements that would be included in a potential Request for Proposals for a new system. The cost of this new system is unknown at this time but this will likely be a major information technology project with a potential multi-million dollar impact for the initial development with ongoing costs to maintain the new system varying depending on the platform and vendor chosen. The estimated General Fund cost range associated with the creation, implementation, and ongoing operation of the new system is based on other enterprise systems and could be higher depending on the outcome of efforts to identify the processes, data structures, and security levels required.

DPB will also need additional ongoing staffing to support the requirements of the bill. Because of the sensitivity of some of the data currently collected from localities by various agencies, additional staff will be required for expanded cyber security and data sharing efforts. In addition, staffing will be required to administer the system on a day-to-day basis including responding to technical issues and providing help-desk support. The bill requires the establishment of the Unfunded Mandate Review Task Force which is to be staffed by DPB. DPB will require additional staff to support this task force. System-related position needs are expected to range between four to seven employees and staffing for the task force is expected to require between two to four positions. Staffing costs including system support and task force staffing are expected to range between \$1 million to \$1.7 million.

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This bill may have an indeterminate fiscal impact on agencies that currently collect information from localities. To the extent that components of larger systems are utilized to collect current data, there may be a cost associated with creating interfaces to the new system or developing methods to import data from the new system into the existing system. Further fiscal impact may result for applicable agencies resulting from the need to reengineer business processes.

Examples of state agencies that are potentially impacted by this include but are not limited to the following:

Department of Education

Department of Accounts Transfer Payments

Department of Transportation

Department of Social Services

Compensation Board

Department of Transportation

Children's Services Act

Department of Criminal Justice Services

Department of Housing and Community
Development

Department of Environmental Quality

Department of Behavioral Health and Developmental
Services

Department for Aging and Rehabilitative Services

Department of Juvenile Justice

Department of Elections

Department of Emergency Management

Department of Fire Programs

Department of Conservation and Recreation

Other: N/A