Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **H.B. 202** DATE: **May 21, 1997**

STATUS: **As Reported by House Economic Development and Small Business** SPONSOR: **Rep. Batchelder**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **Creates single business reply form for use by state agencies**

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	$2 million increase*	$4 million increase during months 13 through 30 of the project*	- 0 -
GRF and other state operating funds			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	- 0 -	Potential annual savings after program implementation
Computer Services Fund			
Revenues	- 0 -	- 0 -	Revenues to match expenditures
Expenditures	- 0 -	- 0 -	$700,000 annual increase after program implementation

* The timing of these costs would be contingent upon how soon the analysis of data collection and storage procedures begins.

- The cost of implementing the program required by the bill would be over $6 million initially, with an additional $700,000 annually for ongoing operation, modification, and improvement of the system. The initial funding would probably be from the General Revenue Fund, with the ongoing annual costs paid from the DAS Computer Services Fund.

- In the long term, the bill could be expected to result in reduced expenditures for various operating funds statewide, because it would greatly reduce data entry and copying costs and potentially simplify workflow for the affected agencies.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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Detailed Fiscal Analysis

The bill requires the State Forms Management Control Center within the Department of Administrative Services (DAS) to create: 1) a single business reply form that would be used by all state agencies to obtain information from private businesses, and 2) an on-line computer network system to allow private businesses to electronically file the business reply form. The Department of Administrative Services would be required to establish procedures by which state agencies would share the information collected. Not later than September 30, 1998, the State Forms Management Control Center would be required to report to the Office of Budget and Management and to the committees of the House and Senate that handle finance and those that handle state government affairs on the progress of: 1) the center in creating a single business reply form, and 2) state agencies in complying with the use of this form. The Administrator of the State Forms Management Control Center would be required to recommend a five percent reduction in the future appropriations of any state agency that failed to comply without good cause.

Initially, this bill would result in an increase in expenditures for the state. According to a spokesperson for DAS, the steps involved in the implementation of a single form would be as follows:

Activity	Cost	Duration
Analysis of data collection and storage procedures in affected agencies; design of instrument	$1,000,000	6 months
Design, development, implementation of database; networking needed to communicate with businesses	$1,000,000	6 months
Modification of all agency systems involved in process	$4,000,000	18 months
Training of user community	$200,000	Ongoing through implementation
Ongoing operation, modification, improvement of system	$700,000	annual

In addition to the modification of agency computer systems, some modification of the laws and rules governing the use of data by the affected agencies would probably be necessary. The agencies that would be significantly affected by the bill include the Bureau of Workers Compensation; the departments of Taxation, Development, and Administrative Services; and the Bureau of Employment Services.

In the long term, the bill could be expected to result in reduced expenditures for the state, because it would greatly reduce data entry and copying costs and potentially simplify workflow for the affected agencies.

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