



Legislative Fiscal Bureau

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July 19, 2011

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Government Accountability Board: Request under s. 16.515, Stats., to Upgrade the Board's Lobbying Database and Website -- Agenda Item VI

REQUEST

On January 28, 2011, the Department of Administration (DOA) on behalf of the Government Accountability Board (GAB) submitted a request to the Joint Committee on Finance pursuant to s. 16.515, Stats., to provide \$94,700 PR in 2010-11, to continue a project to upgrade the Board's lobbying database and website. An objection was filed to this request. As a result, the request is before the Committee for approval under the s. 13.10 process.

BACKGROUND

Under 2009 Act 28, the following biennial lobbying license fees were increased beginning January 1, 2011, and ending December 31, 2014 (the 2011-12 and 2013-14 legislative sessions) to provide funding to upgrade the Board's lobbying database and website: (a) for a lobbyist representing a single principal, from \$250 to \$350; and (b) for a lobbyist representing multiple principals, from \$400 to \$650. It is estimated that increasing these lobbying license fees will generate additional revenue to the Board of \$108,300 PR in 2010-11 (the beginning of the 2011-12 legislative session) and \$108,300 PR again in 2012-13 (the beginning of the 2013-14 legislative session). While revenues were increased, no increased expenditure authority was provided.

Act 28 further provided that GAB may not enter into any contract to upgrade the Board's lobbying database and website unless the Board first submitted the proposed contract to the Co-Chairpersons of the Joint Committee on Finance for Committee review under a 14-day passive review process. On February 18, 2010, GAB submitted a proposed contract to the Committee for its review.

Under the contract, which involved a statement of work from DOA's Division of Enterprise Technology (DET) to the Board, DET estimated that the project to upgrade the Board's lobbying database and website would cost \$99,800 involving 1,280 hours of work at an hourly cost of \$78 including: (a) 120 hours to create the overall architecture design for the information technology (IT) project; (b) 560 hours for web development; and (c) 600 hours for data development. This DET statement of work represented a time and materials contract. Under the contract, if information system development became more complicated than initially envisioned, GAB would be responsible for paying the costs of the additional hours required to complete the work. Under the original statement of work it was envisioned that the project would begin on January 15, 2010, with system implementation beginning July 28, 2010. On March 10, 2010, the Joint Committee on Finance approved GAB entering into the statement of work with DET. In its letter to GAB, the Committee stated that, "The Committee anticipates that Board staff, in conjunction with staff from the Department of Administration's Division of Enterprise Technology, will work to ensure the system development costs remain within the amounts identified to the Committee in the proposed contract documents."

In its original statement of work, DET also identified the costs for two support plans after development work was complete, the DOA support basic plan and the DOA support premium plan. The DOA support basic plan would provide an average of 10 hours of software support per month for the developed software at an annual cost of \$9,400 (120 hours times \$78/hour). The DOA support premium plan would provide an average of 40 hours of software and infrastructure support per month (20 hours of software support and 20 hours of infrastructure support) for the developed system at an annual cost of \$37,400 (480 hours times \$78/hour).

Infrastructure support would include support for the hardware, operating system, web server, and database software. Software support would include resources for changes to the web application, source code corrections, and small or minor enhancements. The additional software support under the premium plan would budget more resources for system enhancements and source code corrections. Board staff indicated that they needed the DOA support premium plan as GAB lacked staff expertise to address such issues as: (a) website performance monitoring and management; (b) database backups and recovery; (c) operating system patching; and (d) virus protection management.

On April 12, 2010, DOA on behalf of GAB submitted a s. 16.515, Stats., request to provide \$40,000 PR in 2009-10, and \$60,000 PR in 2010-11, for one-time development costs. The request also sought an additional \$37,400 PR in 2010-11 to pay for the DOA support premium plan. On April 26, 2010, the Director and General Counsel for GAB wrote to the Committee to withdraw the request. In the letter GAB indicated that, "After further analysis, the G.A.B. has determined it has sufficient expenditure authority in FY09-10 to begin the lobbying upgrade project. However, the agency anticipates we may need additional expenditure authority in FY10-11 but will submit a separate s. 16.515 request in advance when the need becomes more clearly identified." As a result, while increased revenue for lobbying system upgrades has been generated, no increase in expenditure authority has been approved.

On January 28, 2011, DOA, on behalf of GAB, submitted the current request under s. 16.515, Stats., to receive \$94,700 PR in 2010-11, to continue the project to upgrade the Board's lobbying database and website.

Finally, under the 2011-13 biennial budget act (Act 32), the Legislature provided \$121,200 PR annually to GAB for application support and development costs, and hosting charges associated with the Board's lobbying database and website. The funding was provided to address the following costs: (a) \$74,900 annually for additional application development to respond to new functional and performance requirements that may be identified as the upgraded system is deployed; (b) \$37,400 annually in application support charges to DET to cover costs associated with repairs of, and modifications and enhancements to the new application during its initial deployment; and (c) \$19,200 annually in DET hosting charges for two dedicated servers for which DET will manage the hosting environment, provide web statistics, backups, and server support. Because these charges total \$131,500 annually (\$10,300 more than Act 32 provides), the Board plans to provide \$10,300 annually from base resources.

When completed, the lobbying database and website will be utilized to: (a) register lobbying organizations; (b) license and authorize lobbyists to lobby for lobbying organizations; (c) permit online registration and payment for lobbyists and lobbying organizations; (d) record lobbying activity; (e) provide on-line filing of lobbying reports by lobbyists and lobbying organizations; (f) provide public access to lobbying information via the Internet; and (g) provide an auditing functionality for the lobbying program.

ANALYSIS

Under the current request, GAB seeks \$94,700 PR in 2010-11, to upgrade the Board's lobbying database and website. While the request to the Committee indicated that this would include \$59,200 PR in project development costs and \$35,500 for hosting and support, Board staff subsequently indicated that all \$94,700 PR would be for project development. An objection was filed to this request. As a result, the request is before the Committee for approval under the s. 13.10 process.

In materials submitted to the Committee with the request, it was indicated that, "DET has discovered that the scope of the project and complexity of the system was not properly understood in the initial estimate." As a result, the project was not completed in accordance with its initial timeline or budget. To date, GAB has expended \$143,700 from base resources on the project. It is estimated that it will cost an additional \$90,000 to complete project development. As a result, it is now estimated that project development costs will total \$233,700, an increase of \$133,900 over the estimate in the original statement of work approved by the Committee. As with the original statement of work, DET would continue to advance the project on a time and materials basis. If project development again requires more hours than currently projected, GAB would be responsible for paying the increased costs associated with these additional programming hours. It is anticipated that full implementation of the system will now occur in July, 2012.

As noted above, to date GAB has expended \$143,700 PR from base resources on the project. Since January, this includes \$38,300 PR that the Board expended from available balances under its materials and services appropriation. The Board now seeks \$38,300 PR in expenditure authority from lobbying fees in 2010-11, not \$94,700 PR as specified in the original request, for project development. This expenditure authority would permit the Board to restore balances to its materials and services appropriation which were utilized to cover costs associated with project development. The Board indicates that it plans to complete project development during 2011-13 with base resources provided by the Legislature.

A review of GAB expenditure authority under its lobbying administration PR appropriation indicates that there is not additional base supplies and services expenditure authority that could be utilized to provide additional funding for this project in 2010-11. Further, revenue to support the request is available, since the increased lobbying fees have been assessed but no increased expenditure authority has previously been approved. Staff at GAB and DET have expressed confidence that the Board's lobbying database and website upgrade can be completed with the additional \$38,300 PR in funding that is now being requested. Since GAB utilized base resources to begin system development and no additional expenditure authority is available in the appropriation, the Committee could consider approving the request.

If the Committee is concerned about monitoring additional expenditures to complete system development, the Committee could also consider requiring GAB and DET to report quarterly by the 15th of each month following the quarter to the Committee as to: (a) the number of development hours completed and their associated cost in the prior month to upgrade the lobbying database and website; (b) the nature of the work product or functionality completed with these development hours; and (c) an estimate of the remaining work to be completed and the cost and number of development hours associated with this work. (Under this alternative, the first report would be due October 15, 2011.)

Finally, the Committee could also consider denying the request. Under this alternative, the Board would not be able to restore \$38,300 PR in balances from the Board's materials and services appropriation that were utilized to advance project development since January. Given that these base resources were available and were utilized by the Board to cover these development costs, the Committee could take the position that additional funding is not necessary. However, Board staff would argue that these costs would be more appropriately charged to lobbying fees which were specifically increased under 2009 Act 28 to pay for the upgrade of the Board's lobbying database and website.

ALTERNATIVES

1. Approve the request of the Department of Administration (DOA) on behalf of the Government Accountability Board (GAB) to provide \$94,700 PR in 2010-11 to the Board's lobbying administration PR appropriation [s. 20.511(1)(im)] to permit the Board to upgrade its lobbying database and website. This appropriation is supported by lobbying fee revenue.

2. Provide \$38,300 PR in 2010-11 to the Board's lobbying administration PR appropriation [s. 20.511(1)(im)] to permit the Board to upgrade its lobbying database and website.

3. Direct GAB and DOA's Division of Enterprise Technology to report quarterly to the Committee on the 15th day of each month following the quarter as to: (a) the number of development hours completed and their associated cost in the prior month to upgrade the lobbying database and website; (b) the nature of the work product or functionality completed with these development hours; and (c) an estimate of the remaining work to be completed and the cost and number of development hours associated with this work.

4. Deny the request.

Prepared by: Paul Onsager