

Online Databases for Municipal Financial Information

By: Rute Pinho, Chief Legislative Analyst January 9, 2023 | 2023-R-0024

Issue

Describe initiatives underway to incentivize Connecticut municipalities to report their financial information (e.g., expenditures and employee salaries) in publicly accessible online databases similar to the state's "<u>OpenConnecticut</u>" databases. Could the legislature require municipalities to do so?

Databases for Municipal Financial Information

Current Initiatives

We have not identified any initiatives to incentivize municipalities to create online databases for their financial information. Municipalities use a recently developed online platform, the Fiscal Health Monitoring System (FHMS), to submit their financial statements and data (e.g., budget data and financial indicators) to the Office of Policy and Management (OPM), but this platform does not include a searchable database. Additionally, the platform does collect disaggregated financial data, such as individual expenditures and employee salaries. Under a 2022 act, municipalities must electronically file with OPM their audited financial statements and any other requested information on their financial condition. They must begin doing so by January 31, 2023, and annually thereafter (CGS § 7-406c, as amended by PA 22-35, § 5).

According to OPM, its <u>Municipal Finance Services</u> unit also collects, analyzes, and benchmarks a range of municipal financial data that is accessible online. This includes its annual <u>Municipal Fiscal</u> <u>Indicators</u> report and <u>municipal operations survey</u>. OPM's <u>Intergovernmental Policy and Planning</u> <u>Division</u> also collects and publishes other municipal data, such as grand lists, tax levies, mill rates, and real estate sales.

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Legislative Options

The legislature could amend the statutes to require municipalities to create searchable online databases like the state's open data databases described below. In enacting this requirement, the legislature may wish to consider:

- 1. the relative capacity for creating and maintaining these databases across small and large municipalities,
- 2. the associated implementation and ongoing costs,
- 3. providing for technical assistance to municipalities by the state, and
- 4. whether the state or councils of government are better positioned to take on this new responsibility.

Under existing law, municipal financial information, including payments for goods and services and employee salaries, is generally subject to disclosure under the Freedom of Information Act (<u>CGS §</u> <u>1-200 et seq.</u>)

State Open Connecticut Website

By law, the state comptroller's office must maintain a publicly accessible and searchable <u>website</u> for posting state and quasi-public agency expenditures. This includes disaggregated payments and data related to state and quasi-public agency contracts, grants, and employee payrolls, as well as state retiree pensions. Agencies must submit to the state comptroller any information he requests for maintaining the databases (<u>CGS § 2-531</u>).

RP:kl