

TRANSPARENCY BOARD MEETING MINUTES
June 30, 2008

Board Attendance:

Senator Wayne Niederhauser
Representative Ken Sumsion
Judicial Council-Derek Byrne
Fiscal Analyst-Jonathon Ball

John Nixon-Governors Office of Planning and Budget
Stephen Fletcsher-DTS
John Reidhead-Director of Finance

Jonathon Ball-Chair
John Nixon-Vice Chair

1. Welcome: Jonathon Ball
2. Minutes from the June 3, 2008 Meeting were voted on and approved.
3. Data Structure: Jonathon Ball, Chair and Division of Finance

Jonathon Ball-Presented a proposed data structure for the data base that will house all the Transparency information. He met with various people to figure out the best way to accommodate the proposed data structure.

He would like a data structure that will house all of the transparency information.

Jonathon Ball - Proposed Data Structure Concepts:

Utah Public Finance Website (Handout)

Page 1

Generic: Field names and data definitions facilitate data from multiple financial systems.

He would like it accommodate State Agencies plus Higher Ed. and other entities that might become a part of this data warehouse.

Flexible: Each reporting entity defines its own roll-ups, periods, terms, etc. He wants all the different financial systems to be able to feed into this data warehouse.

Scaleable: Can grow to accommodate other levels of government/new organizations. The website should be able to grow to accommodate other levels of government and new organizations.

Comprehensive: Total financial data reported with several levels of granularity. It should show all expenditures. We want to be able to report at some summary level all of the financial transactions.

Exhaustive: Detail accommodated as available and advisable. He wants to have all financial data there in summary, where we can present detail transactions, we want to accommodate detail transactions.

Page 2 & 3

Organization Hierarchy, Financial Hierarchy

On page 2 & 3 it shows how Jon proposed to put the Data Structure together.

The bar at the bottom with the five entries is the core data. You would collect data at that level and then each one of the roll-ups, the first being an organizational hierarchy the second being a financial hierarchy. Those are flexible; those are defined by the entities that provide the data. The summary level detail will come at the fourth level down. In some cases there may not be four levels of data there. On page three there are two current expenses one is a top-level and one is mid-level, those would be things we would discuss as the entities present

their proposals for filling the data structure. There are five extra layers. It is better to have extra layers than not enough layers. Page 2 & 3 would have the same data just rolled up differently.

Representative Sumsion-Thought maybe we needed to add another mid-level, especially when we think of the University, because of the multiple colleges and underneath those colleges the departments. At least give the opportunity and not take it away in the initial data structure.

John Reidhead-On the level of Government we could put Higher Ed. instead of at the State level, and that would give them another level. John feels that maybe we are getting too many steps. He would like to see it at three levels of organization roll-up.

Representative Sumsion-Maybe at the next meeting it would be helpful to have different organization examples so we could see it flowing through the data structure. It would help to see that there are not that many levels out there and we are not overdoing it.

Jonathon Ball-The law calls for all State entities to be in the Data site.

You can add a level of roll-up even if you don't use it in the data. You design the data structure so that it can accommodate five levels.

Senator Niederhauser-Wanted to know where the vendor information was.

Jonathon Ball-Proceeded to the next page

We would collect all the data at a summary level so you could see the entire budget.

We would not be able to show all the detail in all the transactions, except where the detail is not restricted we would show all the detail.

We want to be able to accommodate that in the data structure if there is a public description that we all agree should be included there's got to be a place to put it. It is easier to anticipate more than less when we're building the data site.

John Reidhead-Does not think we are going to be able to put payroll in this model with the money provided to get this website up. If you want the information by individual you would have to have two different structures. But, anything is possible with enough time and money.

Stephen Fletcher-We're going to look at the structure in a way of organizing the information in what levels we want. In a way that we are going start to produce this. This will be a model that we can put forward and we will be able to give to X, Y, & Z as we proceed and then will be able to address this generic structure as we go.

John Reidhead-In payroll with this type of identification by individual it is not going to be reasonable or practical.

Senator Niederhauser-Would it be at some point. Could there be software update that you could make that you design in this format.

John Reidhead-There may be a different path to get to the data quicker. There may have to be a separate path for it. You will get the payroll data by category identification you just won't get it by name in that category.

John Nixon-When we are talking payroll what exactly do we want to put out there. Wages are already out there. What is legal to put on the site, we want to be transparent but, we need to know what is protected before we put it in the website.

Jonathon Ball-We don't need to put the detail out there for this structure to work. We need to get going to get this done in the time provided. There will need to be more discussions on personal detail and what will be put on the detail table. You don't need to put it on there for this structure to work. This design, the purpose behind this concept is that you can start now at a summary level that was proposed by the Executive Branch or the Legislative Branch separately, the Courts separately, and by Higher Ed. Those are the entities that he was thinking of. Put that data in at summary level, at a minimum and then populate the detail table as decisions are made.

Representative Sumsion-He would like to create another structure off to the side that is not connected to what the public comes in to view. He would not like to close down that avenue.

Jonathon Ball-By having the detail table separate, the roll-ups are not dependent upon the detail in the detail table, you could do separate links. You could define category identification at whatever level you want.

Discuss how State would fit in Structure-Division of Finance (Handout presented)

Brenda Lee-They took Jonathon's information and made it generic at a high level without the detail base behind it. She presented some examples. On the handout it showed the period, fiscal year, level of Government, entity, top level org., mid level org., which would be the line item, low level org., which would be the appropriation unit. Next you would see category, which would be expenditure, you would have three levels of categories. The state currently has three levels of object roll-up. In the detail area, you see payee, the date, the description, and amount.

In the example for Higher Ed. it would go first to fiscal year 2007, then to Higher Ed., on to the University of Utah, School of Business, and Accounting Dept. There is a level left out for another level if needed. In Revenues, you would first go to revenues then to tuition and there are two other roll-ups for tuition, there would be room for other roll-ups in revenue. For detail, first it would show who paid the tuition if this was not protected, the date it was paid and the amount.

For the County, we would start with Salt Lake County, to Public Works, Fire Dept. Hopefully these examples helped.

John Reidhead-The next example shows highlights of how the state would implement it and how they would get it from FINET.

Brenda Lee-It starts with the fiscal year, Level of Government entity, dept., line item, appropriation unit, account type, object category, object class, object code. In the detail there would be the payee, customer, if it's a revenue you would want to say who paid it, and the date. We wouldn't have public description yet, because it has private information in it and then we would have the accounting line amount.

John Reidhead-These examples are a summary of Mr. Balls proposed structure, and we think we can meet and fit within what he has proposed.

Derek Byrne-Every agency is interested in Transparency and disclosing more information to the public, but they are not interested in doing a lot more work than they are already doing. The information is there we just need to get it to the public in a more useable fashion. Is that an issue with FINET, maybe with an open ended field to

address more private information that wouldn't show up? Sometimes you don't know until you process a payment if it is going to be private.

Jonathon Ball-In this proposal it would be optional. You could have two fields where one is public and the second is private. It would take some programming. It is possible.

John Reidhead-It would be very costly to modify the system.

Jonathon Ball-Including it now is better than not including it. So we don't have to come back later and then fix it. You don't have to populate it now.

4. Higher Ed. Data Structure

Mark Hamilton from Salt Lake Community College
Paul Brinkman from the University of Utah

Jonathon Ball-Could you provide the data at a summary level that we would be able to populate this data base for Higher Ed.

Mark Hamilton-We currently have it in our Banner system. At the Salt Lake Community College they have various schools, institutional support, and then plant funds, and then they are divided up into various departments and from there it is broken down into salaries. On our finance system we only break it down by the various salaries, the categories are hourly and teaching. In the benefit portion we only break it out down in a couple different account codes. Salary benefits are lumped together and hourly teaching and non-teaching benefits are lumped together. That's the level of detail they keep.

In current expenses we have various levels, there might be as many as 70 different levels. In-state travel has 5 or 6 levels and out-of-state has 5 or 6 levels. In capital expenses there are about 10 different levels that they break down. In each of those levels it can be summarized in various schools or departments or details.

Jonathon Ball-In Higher Ed. there are two main financial systems plus a lot of smaller systems.

Paul Brinkman-U of U is similar to the Community College except that they have the hospital it is run through People Soft. You will have some different accounting data structure with the hospital, as well as privacy concerns.

On the revenue side at some level you could distinguish tuition versus state appropriations for example, but it would be at the university level not at the level of an operating department. There is a lot of variability in terms of unit even on the academic side, which just a small portion of what the University does. You can always tie it back to an organizational unit.

In Higher Ed. we would use a functional level.

John Reidhead-The functional level is like the organizational level. The three levels of organization will get you down into the function level.

Paul Brinkman-We always have three major functions going on. Its okay if you want to go by organizational unit, then within that, personnel versus current expense, they can do that.

John Reidhead-Would it be possible to drill down through your GL to get to your individual payroll data. Can you do that right now?

Mark Hamilton-They produce a report through their HR system that can break it out by various individuals, then by salaries, teaching or non teaching, benefits, but not benefits in a specific category. It would be difficult to get down to an individual level as far as benefits; it would be a very generic level. The benefits are summarized under one accounting code called salary benefits.

John Reidhead- It is the same for the State. We summarize the different benefits into one code so we don't have as many entries to process. It's specific, each employee has the amounts they get paid, for the benefits that the schools paying, and for all their deductions, and for what's paid by the college. It's the same with the State; it then gets summarized into different object codes. You don't have an entry for every different benefit. But it is specific to the specific person in the HR system.

Mark Hamilton-We know specifically what expense benefits are associated for each individual. It is summarized under a category called Salary Benefits.

Benefit costs are allocated to the departments; they have specific allocated cost associated with the department.

Jonathon Ball-Is proposing to build the data structure in a way that will accommodate various approaches where entities will present their approach to populating the data site. With Higher Ed. there will need to be at least three different proposals or more. You would have to decide what you would need.

Senator Niederhauser-Wanted to know if a department head has the information available on any employee what their salary and benefits costs are.

Paul Brinkman-He stated that these figures are available, but could change over the course of the year. The salary would stay the same but the benefits might change.

Salaries are public, but benefits are not. It could be done.

Jonathon Ball-Showed example of his office, he presented a structure to show salary and detailed benefits of employees. He suggested maybe putting a link at the personnel services level and then you could see the entire personal service record, if that is what you decide to do.

John Reidhead- With payroll the structure that you laid out works for summarized payroll information by organization level within the general ledger. If you want individual information you will have to ask for it from their H.R. system and build a separate structure by employee and have that H. R. data come to us.

The payroll data is already in the structure, if you want to go into HR detail it's a different system.

Senator Niederhauser-Wanted to know if our structure could accommodate this at a future time.

John Reidhead-If you want to start linking to the general ledger it will be a lot more costly.

Representative Sumsion-Does not have a problem with having two structures. Thinks we need to plan for the future.

John Reidhead-Does not think we could build it to the level of detail that you are asking for, linking down by each organizational unit. I think it is more data than you need.

Mark Hamilton-Agreed with John, to link the H.R. side to the finance side would be very difficult.

John Nixon-It is going to be very difficult to tie this H.R. personnel salary stuff into the data set. In interest of time put the payroll discussion off for a time, and work on the data set and getting the data set approved.

Jonathon Ball-His personal opinion is that all payroll information should be made public. And the data structure can accommodate it.

Jonathon Ball-Proposed that everyone would be required to report at a summary level, they would present their plan for that summary level to the Transparency Board and the Transparency Board would consider each proposal.

The basic concept would be for four or five levels of roll-up on an organization side and then on a category side, those levels of roll-up would lead to a detail record, the detail record would be at a summary level to be defined by each entity that would be depositing into the data warehouse. There would be an optional detail table below that at some level of roll-up, that would link back to the financial data and provide whatever detail that is determined by the entities as well as the Transparency Board. It appears the Division of Finance and Higher Education would be able to accommodate that data structure.

John Nixon-Asked if we can get there in three levels of roll-up. If you can get the information and get there a lot quicker we will be better off.

There are two different proposals here, what are the differences between them and are we willing to give the Division of Finance the flexibility as they start working on this to come up with what is going to work best with the data and what are the differences between the two proposals.

Jonathon Ball-Stated the major differences between the Division of Finance's proposal that they presented at the last meeting, and the proposal that he is making, is that entities define their own data structure. The Division of Finance's proposal is specific to the State's financial system. His proposal would include a few more optional fields that would be built in so we could provide additional data at a later time. Public description field, and the comment field, those things that weren't defined in the finance proposal.

John Reidhead-Finance is willing to agree with what you have. Their example had three levels on organization and Jonathon asked for a fourth level.

John Nixon-Wanted to know if there was going to be a cost difference between the two.

Stephen Fletcher-If it is done up front it is less costly.

Jonathon Ball-If we could approve the data structure, and the Division of Finance proposal for meeting the data structure, and then meet with each institution at a later date and least get going on the State data. He wanted someone to make a motion.

Senator Niederhauser-Moved to accept optional transaction level detail on page four, for flexibility and that we use the proposed data structure for organizational and financial hierarchy on page 2 and 3 with one additional roll-up.

Jonathon Ball-That's the motion, is there a second to the motion.

Representative Sumsion-Seconded the motion.

John Reidhead-Made a substitute motion. That we accept the data fields that we have summarized from your detail, not your examples. Using what the Division of Finance had proposed and adding an additional optional fourth level on organization.

Jonathon Ball-Suggested that there be two separate motions, one on the generic structure and one on the fields that populate the structure.

The first part of the motion would be to accept the generic structure that Jonathon ball presented on pages 2, 3 and 4. The second part would be to populate the structure using the field proposed by the Division of Finance using their handout.

John Reidhead-Wanted to speak against the first motion, he did not think we need that extra level of detail in the category expense. He feels three are sufficient.

Senator Niederhauser-Agrees with that, but would like the flexibility for the future, he feel this is an important part of this.

Representative Sumsion-Feels that if we have created it, we ought to have the ability to report it. And make sure we have enough layers.

Stephen Fletcher-We could accommodate both proposals. Asking each of the entities how are you going to do it, and how many levels do you need. Specify it at that time instead of mandating it that you have it in the structure right now. You're going to go back and ask how many do you need or what is useful to you and then make those decisions.

Jonathon Ball-The primary purpose was to define the data structure itself, so that you could find out from the vendor how much it would cost to build the data set. It may or may not be influenced by organization roll-up. The second purpose is to consider how the Division of Finance is going to populate those fields and whether or not they are going to populate a 4,5,6,7 levels of organization roll-up.

The first part of Mr. Reidheads motion will be what the generic data structure is going to look like when they go talk to the vendors. It will include four levels of roll-up. The fourth would be for organization. That motion would eliminate one level of detail that Jonathon Ball showed on page 3. Senator Niederhausers motion was to add another level on page 3 and 4.

John Reidhead-Proposed to amend the substitute motion. And then he proposed a new substitute motion to give the Division of Finance some flexibility as we work with our vendor, or our data warehouse team to come up with these levels so our hands are not tied.

Jonathon Ball-The proposal was to follow the concept that Jonathon Ball created with some flexibility. It won't be complete flexibility.

Senator Niederhauser-Is there a minimum or maximum or is there complete flexibility.

John Reidhead-There won't be complete flexibility; we will have to report back to the board.

Representative Sumsion-Wanted to know if the motion on the table was to come back to the Board after Finance had talked to the vendors.

John Reidhead-We know the general concept with the number of fields that you want, now give us the latitude to go forth and start getting it done and bring it back and show it to you.

Representative Sumsion-If we have created in our organization chart a department with a supervisor that has employees reporting to them and we track expenditures to that supervisor we will report that. Would you support that?

John Reidhead-Does not support that concept. He feels that it is more than needed for a public website.

Jonathon Ball-Feels it sounds like Mr. Reidhead does not want to provide the detail to the public. Is there a problem with designing the data table, in such a way that you could accommodate as much detail as possible, in allowing each entity the flexibility of populating the data to a level at which they think is appropriate and which has been approved by the board?

John Reidhead-There is not a problem with providing the number of levels; it's what level you end up populating it.

Jonathon Ball-In your proposal you would limit the number of levels to 3 or 4, what is your objection to expanding that to 5 in both cases? And then allow each entity populate it at what level they deem appropriate as approved by the Board. Mr. Ball revised his statement; you would deem it appropriate, you would propose it to the Board, the Board would then review it and vote on it.

John Reidhead-If we will build the data base and put the fifth level out there as an optional field, John is fine with that.

John Nixon-Would like some public comment on this, and have Finance talk to the vendors and then hear back from them.

Jonathon Ball-The substitute motion by Mr. Reidhead is that the Board allows the Division of Finance to move forward with the general concepts proposed by Mr. Ball allowing the Division of Finance flexibility. That's the motion before us. Those in favor, those opposed. It passed with Senator Neiderhauser, Representative Sumsion, and Jonathon Ball opposed.

5. Privacy Issues

GRAMA considerations: Mr. Eric Weeks-GRAMA is the Government Records Access And Management Act. If the record is to appear on the website it must be public under GRAMA. There are four classifications under GRAMA

Public: Must be provided to the public on request.

Private: It is only disclosed to certain individuals usually the person involved.

Controlled: Applies to medical

Protected: Disclosed to a limited amount of persons.

You can put anything that is classified as public on this website.

Examples of what is protected or publicly disclosed under GRAMA

Public: Laws, final opinions of judicial or legislative bodies, employee name, gender, gross compensation, business address, and business phone number are always public information. There are certain job classifications that are sensitive.

Private: These examples would not be able to be shown on the website; an employee's home address, social security number, marital status, benefits (insurance coverage), and medical records. These are not available to the public

Controlled: Medical Records are not public

Protected: These examples would be protected. Trade secrets, commercial or other financial information that may impair government procurement proceedings or give unfair advantage to certain individuals.

Eric Weeks-Police Officers, Judges etc. there are certain restriction on these employees.

Certain court records are confidential

Stephen Fletcher-Would criminal history be confidential?

Eric Weeks-Background checks would be confidential if not financial.

John Reidhead-It is going to take some extra effort to protect the names of protected employees. We are going to have to take it another level with travel reimbursement etc.

Representative Sumsion-In the procurement system could you build a query that would flag someones name as confidential.

John Reidhead-We could do that for the State.

HIPPA considerations: Doug Springmeyer- Since 2003 It's a federal rule; it's enforced by the Human Services. HIPPA is a 1996 law. Health and Human Services reformed it into the HIPPA privacy standards.

If you see a piece of medical information do you know if it is governed by HIPPA? The answer to that is no. Unless you are a health plan or health care provider, who meets all of those criteria it is not governed by HIPPA.

The department of corrections health clinic is not covered by HIPPA.

The Medicaid program is covered.

Health care provider, most healthcare providers are covered by HIPPA, you have to perform a electronic transaction. Most health care providers are covered by HIPPA

PHI it is very complex, it is a geographic designation smaller than a State. If Medicaid was asked by a representative how many Medicaid recipients do you have in my district that would be a violation of HIPPA. That is a group smaller than the state. If there is enough Medicaid recipients in that district it is unlikely that it would lead to the identification of an individual. It is not easy to de-identify records under Medicaid. It has to be on file like that before they can respond to those inquires.

These disclosures you can report without an individual's authorization: a communicable disease, or that they abuse their children.

These are important exceptions. Medicaid has employees, and they have information about health plans that those employees have chosen. That information is not covered by HIPPA, because it is held in their status as an employer, but that same data about the kinds of benefits to a Medicaid recipient held as a plan is governed by HIPPA and the release of that would have to meet the standards of HIPPA.

If you are a school you are covered by FERPA not by HIPPA

There are four general requirements that all covered entities have to meet

1. Confidential
2. Has Integrity
3. Doesn't change
4. Available

We have to train our work force how these rules are implemented. This transparency needs to have protections built in, so an improper key stroke from an employee does not suddenly disclose the information to the public website and damage the citizens of the state, or the liability of the state.

John Reidhead-Would data by provider be protected covered by HIPPA.

Doug Springmeyer-That would not be covered unless it was in a small community.

Paul Tonks-Attorney Counsel for Transparency,

Purpose of the Transparency in Government Act is to permit Utah tax payers to view understand and track the use of taxpayer dollars. But do it such away that taxpayers do not have to go through the process of GRAMA requests they can go to a website and do it without fees. The goal is to make State Government as transparent as possible.

The purpose of GRAMA is to promote the publics access as easy as possible to unrestricted public records, but has a second goal to protect the abuse of confidentiality by governmental entities. Legislature has deemed that it is very important to make sure that the governmental entities do not keep information from being made public that should not be made public. Details what government records can be made public and the process to appeal adverse decisions is given in the GRAMA act itself.

One of the Boards responsibilities is to determine what financial records shall made public by the participating state entities and one of those requirements in the statute is that records must be classified public under Title 63G chapter 2, the Governmental Records Access Management Act. In order for any record to be made public it has to also be considered a public record under GRAMA.

A record that is not private, controlled, or protected, and is not exempt from disclosure by GRAMA is considered a public record.

A private record is a record containing data on individuals, home address, phone number, social security number, marital status, insurance coverage, or payroll deduction; these things are considered private and cannot be disclosed. People's eligibility for unemployment insurance benefits, welfare benefits, and social services are considered private or the determination of benefit levels.

A controlled record is any record containing medical information. Medical, psychiatric, or psychological data about an individual is considered a controlled record. It includes any record the government entity reasonably believes that the release of the record would be detrimental to the individual's mental health or safety. The release of these records would constitute a violation of normal professional practice and medical ethics.

A protected record has to classified protected by the government entity. There are about 56 different record types that are listed as protected in Utah code.

An example of a protected record would be the disclosure of records that would jeopardize the life or safety of an individual.

The Transparency Board decides what records we should disclose under GRAMA, it is the public entity itself that makes the decision what should be disclosed. And then there is an appeals process that is given there. With Transparency there is no appeals process.

In Transparency the records are being disclosed without a public request. Under GRAMA, there is a written request from an individual.

You need to make sure you involve the public entities when you are deciding what records should be disclosed.

The law enforcement organization would be in the best position to decide what should be protected or disclosed.

There is a potential liability on disclosing non-public records.

Then there is the degree to which the disclosure will be mandated by the Board. That discretion is given to you by the statute.

Oklahoma's statute was very specific about what liability protection was given to their Office of Finance in regards to their transparency website. The discloser of information required by this action shall create no liability whatsoever, civil or criminal to the State of Oklahoma or any member of the Office of Finance, or any employee thereof for the disclosure of the information for any error or admission in the disclosure. Having this kind a statute in place [for Utah] would be very beneficial.

You want the Utah tax payers to view and understand the use of the taxpayer dollars. You want to be able to allow the individuals to do this online without requiring any fees. You also want to make State government transparent but at the same time there are privacy concerns that are detailed in GRAMA that need to be followed. Before anything is put in place it would be a good idea to run it past the Attorney General's Office

Paul Tonks- The more detail the more privacy concerns.

Senator Niederhauser-Can the agencies be responsible to let us know what is private.

Paul Tonks-They know what needs to be protected.

John Nixon-We are bound by GRAMA unless it is changed by Legislature.

Paul Tonks-GRAMA is usually sufficient or HIPPA.

John Nixon-If Legislature relaxed GRAMA, would there be other laws.

Paul Tonks-There would be federal laws.

Jonathon Ball-Is the gross cost of compensation of an employee protected?

Paul Tonks-Felt it could be.

Patricial Mansfield-Showed a decision by the records committee which define gross compensation.

John Reidhead-We should consult with the State Records Committee about anything on benefits.

Paul Tonks-Has a booklet called *Open Meetings, Open Records*, published by the Attorney General's Office. It would be useful.

Scott Stevens from the Tax Commission-There could be a problem with being able to identify a specific taxpayer through revenues that are paid by a specific corporation.

John Reidhead-Is there any data on FINET that could be confidential.

Scott Stevens-He is not sure.

Senator Niederhauser-We passed a motion today, we will now start addressing how to entities will comply with that?

John Reidhead-We need to work with Higher Ed. and get a proposal to UI and get a cost estimate back from them.

It was decided that designees can be sent to the meetings.

Meeting adjourned

Next Meeting-July 28, 2008 at 9:00 a.m.

