

TRANSPARENCY ADVISORY BOARD MEETING

October 13, 2009

Present: Jonathan Ball John Nixon John Reidhead Senator Niederhauser Representative Sumsion Randy Merrill
Scott Smith Ken Montague Val Peterson Ken Peterson

1. Welcome: Jonathan Ball welcomed everyone to the meeting.
2. Approval of August 11, 2009 minutes: Jonathan Ball asked for comments and a motion to approve minutes. There was a motion made and seconded, the motion passed unanimously.
3. Status of New Board Members: John Reidhead stated that the governor's office had approved the new board members and they would receive a notice from the governor's office of their appointment.
4. Annual Election of Board Chair and Vice Chair: Jonathan Ball thanked everyone for a good year.

John Nixon-Thanked Jonathan for the great job he had done getting the website launched. The statute calls for a change each year.

John Nixon nominated John Reidhead for the Chair position for the next year. The motion was moved and seconded. It passed unanimously.

Ken Sumsion nominated Val Peterson for Vice Chair, and John Reidhead made a substitute motion and nominated Senator Niederhauser for the position. A vote was taken and passed unanimously for Senator Niederhauser to be Vice Chair.

5. Update on Website Status: Brenda Lee, Michael Rice

(a) Usage statistics.

Michael Rice went over the statistics for the last five months. Using a graph he showed the weekly usage of the website. The first spike in usage coincided with the media event when the Lieutenant Governor announced the launch of the site. It did trail off some after that. The last four weeks there has been a slight rise in visits.

There have been about 10,000 visitors to the website, the bounce rate is 37%, and average time is 3 min. The recovery data did increase usage. The site is averaging around 100 people per day on business days.

There have been visits from 55 Countries.

The website has had visitors from every state in the United States. Visitors from California, Arizona and Washington have visited more frequently. Washington D.C. has frequent visitors.

There are frequent visitors from every city in the State of Utah.

About 1/3 of the people who visit the website go to the address directly, 15% come through Google and about 10% from KSL, from there the segments are smaller.

There are a number of people coming over from the recovery website utah.gov. There are links from that site where people can access the Transparency website.

The primary users on the website are drilling down through the organizations. The second most popular way to look at the website is through vendors, then category, organization and fund.

The length that the users stay on the website in the beginning was around six minutes now it is around ten minutes; this does not include the bounce rate.

About 25% of the traffic is coming from inside the state's network.

The current download limit is 10,000 records.

Representative Sumsion would like the records capacity to be larger and asked if there had been requests to download more than 10,000 records.

Brenda Lee responded that there had been one email request for the more than 10,000 records.

Jonathan Ball stated that he would not be interested in the entire state at one time to download, but would probably go to one agency at a time. He would like to be able to download an agency.

Michael Rice said that the website would be able to answer most questions directly without downloading an entire agency.

Michael Rice asked the Board if the website was deficient in an area that may need some functionality added that would allow the average citizen to see the information differently.

Senator Niederhauser asked who had made the requested for more than the 10,000 records, and the potential load on the system.

Brenda Lee said that it was a private company that does business with the state, and they have requested DTS's expenses for FY09.

Michael Rice stated that the load was unknown because of the 100 plus entities that will be added in the future. The website is expanding rapidly with the amount of data and users. He said he does not have an answer on the exact load capacity of a single download compared to one file size to another.

Jonathan Ball suggested adding functionality to compare ARRA revenue to ARRA expenditures by line item. He did download the revenue and expenditure information and compared the two. He said that this is not a new issue and we need to make sure that we are covering the costs and show how the costs are covered. This would help forestall large downloads.

Representative Sumsion had questions concerning the download capability and levels that you needed to go to in order to be able to download to a spreadsheet. He used Fleet services as an example and he was able to download when he got to the transaction level. He commented that he was surprised that you could find 10,000 records when you had to drilldown that far to be able to download to a spreadsheet.

Brenda Lee explained that you can change the filters at the top level and then you are able to download. Filters are helpful at anytime in the search.

John Reidhead suggested that Finance work with Utah Interactive to decide the best way for downloads to be requested.

Jonathan Ball said a normal user would be interested in what the state was taking in fee revenues and how much they were spending. He feels this is important information for the public to have. You would not be able to find this information on the website unless you downloaded the data.

John Nixon feels that all the information should be available, but maybe not be able to download a whole ledger on a regular basis. He wanted to know how much it would cost, and if people were looking to download more information? He suggested that companies or people who want a lot of information or a business related transaction can submit a GRAMA request and obtain the data that they want.

Scott Smith asked with the new entities coming on if we were anticipating more traffic on the website.

Jonathan Ball stated that the state entities were the biggest, but University of Utah would be the next largest entity to be added.

Senator Niederhauser suggested leaving the download capabilities the way they are until there were more compelling arguments to add more to the site.

Michael Rice said that they would track the amount of users that download 10,000 transactions and the users that request more than 10,000 transactions. He will report this information at the next meeting.

Derek Monson (Sutherland Institute) said that his company's uses of the transaction data would be at a specific agency level. Beyond that it would seem reasonable to GRAMA the data.

Michael Rice showed the agency level on the website with the amount of different agencies transactions.

John Reidhead explained (for the benefit of new board members) that the structure of the website is designed to be generic and each entity that decides to participate will have file layouts that they should be able to fit their data into. The website is designed to help participating entities so they don't have to bear the cost of maintaining a transparency website for their own entity. They would just send their information to the state and there it would be maintained without the burden of the extra cost.

Michael Rice was asked if there was a way to go beyond the 10,000 download limit. He explained there were ways through the advanced search.

Senator Niederhauser stated that it would be hard for any political subdivision in the state to duplicate the level of transparency that is within this site. His would encourage the entities to not go to the expense and to work out the initial problems in uploading the information and use the Transparency Website, he feels it would save them money.

(b) Use of website for ARRA transactions.

John Reidhead stated that they are showing the internal transactions within the state for ARRA on the website. Finance will discuss with the Governor's office concerning the information they want available.

(c) Posting of payroll transactions to the website.

Brenda Lee said they were close to posting payroll. The goal is to have it in production today Oct. 13th or tomorrow. There was a suggestion from a cabinet member to change the name from Payroll to Employee Compensation. Because it includes benefits, they thought that was a reasonable suggestion and they are moving to make that change.

Randy Merrill stated in education the posting of wages needs to be defined. It needs to say the wage includes payroll, benefits, and any extra benefits; it needs to be consistent to be valuable. As the website moves forward to include larger groups he feels it needs to be defined as to what payroll is.

Representative Sumsion stated that following the statute that put the advisory board together, the board does have authority to say what payroll is and what it includes. He agrees that making guidelines for payroll would add consistency.

Senator Niederhauser responded that the statute does give the Board the authority to decide how payroll would be presented. That is why we have school districts and higher ed. on the board so they would have a voice. He emphasized that we're happy to have these entities here and we want to come up with a policy that is reasonable, effective, and transparent.

Brenda Lee explained that there are the same categories and levels for payroll as anything else. You could have numerous levels of organization and category for payroll, you could split those out and have the school districts have a similar layout so they are comparable.

Randy Merrill asked in terms of reporting what are we asking for. If we are asked what the teacher contract wage is, that is what we will report. But teachers have other income from many different things they do such as coaching, teacher aids after school etc. that are not on the regular contract wage.

Brenda reiterated that the name is being changed from Payroll to Employee Compensation.

5B. Update from Finance on Outreach to Participating Entities.

Brenda Lee sent letters out that include the file layout to all the entities that come on board in May 2010. They included School Districts, Charter Schools, Transit Districts, and Universities. It also included board members, so the entities can contact their board member representative. The letter asked them to send back a functional contact and a technical contact, so they can start to work with those people. It was recommended in the letter to use the State's website, but they do have the option of linking to their own website. The Board would have to come up with standards if they used their own website.

Darrell Swensen was hired to help coordinate the adding of these entities.

Scott Smith stated that some charter schools are considered one big district and others are considered individual districts. He wanted to know if that was what they were looking for in Charter Schools.

John Reidhead explained that they coordinated with Office of Education, and they want to get the entity level. So if a group formed a district that would be one level. He said they will be happy to coordinate with Charter Schools.

John and Brenda have been invited to trainings with the School District Business Administrators and the Association of Government Accountants.

6. Board Policies for Participating for Participating Local Entities

John Reidhead said that there have been a few inquiries from the new entities about what the policies are and what the Board would required them to report. The Board can set policies, but the law does not let the Division of Finance set administrative rules for local entities. Finance will need a direction from the Board for what the local entities will need to do.

John stated that the following are points out of the bill that Finance has decided are important for the local participating entities.

(a) Content.

John Reidhead stated that the content could be similar to the state.

(B) Frequency.

Revenue and expense transactions could be reported quarterly and payroll could be reported annually. Entities could report based on their fiscal year.

(C) Form.

If the new entities use the website structure the form is there.

(D) Size or budget thresholds for participating local entities.

Senator Niederhauser stated that where budgets are small in some entities there may have to be some extra considerations, maybe PDF files. It is important that they are listed and have some kind of transparency.

(E) Special consideration for entities with budgets less than \$10 million.

All Charter Schools are below the \$10 million threshold.

(F) Entities with system limitations.

(G) Entities without technical support.

Representative Sumsion asked if there was a way to eliminate some of reporting requirements. Maybe simplify some of the reporting requirements.

Randy Merrill said that it is the commitment of staff to turn in the information in the format you want. Financial information will not be a problem. He asked to define the data that is wanted.

Scott Smith stated that if they can move forward in the format the information is in, it would be easy. If not, he asked if there was one individual that they would send the information to, that would then transpose the information into the right format. Or would each District or Charter School be required to do that themselves, that's where the complication will be. Supplying the information won't be a problem because it is all there.

Val Peterson said Higher Ed. is prepared to have their information on the site in May.

Senator Niederhauser commented that at the last session there was some testimony when they passed the bill about getting relief from some reporting now that the information was there. If there is a way to do this it would be good. There would need to be recommendations from the new entities about this. They want to make things less burdensome, so the entities can focus on the things they need to focus on, instead of giving data that may not be needed.

The Senator stated that Government in the 21st century is going to be more outcome based. And resources are going to be based on those outcomes. All entities need to have a mind towards that, with the new technological information, and with the talk of increasing taxes to fund governments, the tax payers are going to be asking what the outcomes are and are these outcomes we want. There will be requirements for that kind of data to keep it in control. We will need to know what the requirements will be, the demands on government, and be able to do those fairly simply as technology advances.

John Reidhead suggested now that the new entities have seen the website, to come back at a future meeting with what they have and what their groups can or can't do.

Randy Merrill stated that he would talk to the superintendents in the state about the payroll issue. And bring some guidelines for reporting back to the committee.

Scott Smith said that Marlies Burns, State Director of Charter Schools, would be a great person to work with. He will set up a meeting with her.

Brenda Lee stated revenue and expense will be first and then payroll will be later. Maybe not focus on payroll right at first.

Senator Niederhauser thought that the Board needs to identify and have input from the entities on what the issues are and what we're dealing with so we can set those standards. He feels it needs to be done quickly, and asked if the forum to get the issues on the table was to communicate with the Division of Finance to get them on the agenda for the next meeting.

Brenda Lee is suggesting that the new entities use the website, and they will work with them to map their data how they would like it. If they can't, then we would ask what they can give us. We are hoping they will want to use the site.

Senator Niederhauser reiterated that we want to give them flexibility to use their own website, but it would be hard to duplicate what has been done on the state website.

Brenda Lee said that almost all the entities that they have worked with when shown the file layout have decided to use the website because it was easier.

Randy Merrill asked about state guidelines, and if education could report in a similar way.

John Reidhead stated the Division of Finance creates the files to put on the website. He said school districts have some small accounts; they also have some separate minor things that will have to be addressed. The state right now captures

the transactions that are in their central accounting system. There are a lot of other systems feeding into the central system and they do not have all the detail of those separate sub-systems. Everything eventually gets recorded in the state's system.

Brenda Lee said that there are three levels of organization and three levels of expense and it is not difficult to use.

She suggested getting a group of School Districts or Charter Schools together, and she and John would do a presentation and answer all their questions. She said they could take some of their data and show what they could do with it.

John Reidhead said that they had been working with Higher Ed already and they already have some test data on the site.

Brenda and John have a meeting scheduled with the Office of Education on Nov. 2nd to discuss reporting issues and the file format etc.

Senator Niederhauser asked the chair if they are planning on bringing back recommendations on some standards when they are addressing these issues.

John Reidhead feels like they need the dialog and input from the entities, as soon as they get some information they will draft something and bring it back to the next meeting.

Brenda is meeting with the school district business administrators on Nov. 10, 2009 in St. George.

Ken Montague (Transit District) commented that the Brenda and the staff at the state had been very helpful and accommodating.

Brenda Lee stated that UTA is not governmental; they are a fully proprietary business type entity. When they buy something, like a bus it would not show on the website, it would show as it depreciated over time. Until they put balance sheets on the website, this is the way it will have to show. She hopes the other entities have governmental accounting systems that dispense things as they buy them.

Jonathan Ball stated that it is important to be clear in the description of the entity and how the accounting is done and the differences between each entity.

7. Other Issues:

Jonathan Ball inquired about the award that the website was awarded.

The Transparency website was awarded the Government Computer News Agency IT Achievement Award. Brenda Lee and Michael Rice will attend the Gala on October 22, 2009 to receive the award. An article will be published in the Government Computer News Oct. 12th issue.

Senator Niederhauser mentioned that the Sutherland Institute is offering a \$1,000 scholarship to five students in grades 9 thru 12. The students would write an essay on transparency in government, and send them to the Sutherland Institute by the end of Oct. He would like a link on the website explaining the scholarship.

Derek Monson from Sutherland Institute explained that there is a flyer that has been handed out and that the information was on Sutherland's website. The intent is to get students to use the website and to get students to think about how the government and state works. The essay should include how this website will help schools or the state in general.

It was decided to put a link to a PDF file of the flyer with the scholarship information on it on the front page of the Transparency Website.

Jonathan Ball brought up that the Mexican State of Chihuahua is interested in Utah's transparency efforts and the founder of our website. They would like someone to come to Mexico and talk to them about the website. He said it was interesting that it has gone from national to international interests.

Senator Niederhauser is going to go to Mexico the Saturday before Thanksgiving to give them some perspective on transparency. He feels like we should help because it will lead to good governments in other areas of the world.

8. Public Comments: None

9. Discuss Next Board Meeting Date:

November 17, 2009 at 8:00 a.m. was suggested, it was tentatively set for that date.

There was a motion to adjourn; it passed and the meeting was adjourned.