

TRANSPARENCY ADVISORY BOARD MEETING

November 17, 2009

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

1. Welcome: John Reidhead
2. Review of October 13, 2009 Meeting Minutes: There was a motion to approve the minutes from the last meeting, they were seconded and passed unanimously.
3. Update on Website Status:
 - a) Usage statistics: Michael Rice reported.

Since the launch of the website there have been 300 to 500 visitors a week. Bounce rate is about 37%; the average time people are spending on the site is around 4 minutes. There is not a lot of traffic to the site on weekends. There are people visiting on a regular basis and also new people each week. The website gets visits from around the world, and every state. Within the State of Utah is where the bulk of the visits are, centralized in SLC and surrounding cities.

About 1/3 of the users are typing the address to get in, 15% from Google, and 7% from news organizations.

There was a spike in visits when the recovery data went live in Sept.

In a two month period there were 3800 visitors, and many of these visitors looked deeper into the website. There were 1600 searches for vendors, 4800 people opened up a transaction view. If compared to active users most of those users opened up at least 2 different transactions.

The highest number of users are coming from within the State of Utah organization looking at State data.

There were 24 people who downloaded data in excel in a three week period. Of those, only 2 wanted more than the 10,000 records limit. The rest were small requests.

The 10,000 limit was set for technology reasons. With the upcoming addition of multiple entities they wanted to know how useful or popular the download function would be. If everyone in the state were to download millions of records it could cause a performance issue for the website.

Michael Rice stated that they are fine with adjusting the number of downloads.

Jonathan Ball asked about downloading UDOT to find out what the technological impact would be.

John Reidhead suggested raising it as high as possible and then if needed back off as other entities are added.

- b) Recent inquiries: Brenda Lee

Brenda stated that there have been 3 emails since the last meeting. One was from a company that the state does business with already. They wanted all the expenditures for DTS for FY2009. It was more than the 10,000 limit so that has been downloaded to a file and emailed to that person. There was no charge for that. There was a request asking if all the funds were on the website and we responded that they were. And the last one was a request asking about the Sutherland Institute Scholarship essay, they were not able to get back to them before the deadline was over.

- c) Posting of payroll transactions to the website: Payroll was posted without much being said.

d) Administrative Rule filed for state participating entities: John Reidhead

John Reidhead said that the State law requires the rules be filed within 180 days of the bill becoming effective. There was a deadline to do that, so they went ahead with the guidelines that the board had given in the past. They drafted a rule and the rule was emailed to the Board. The rule was posted to the Administrative Rules website on Nov. 15th, and the comment period runs through Dec.15th. If anyone wants to make comments they are invited to do so before Dec.15th.

Val Peterson stated that Higher Ed. had a concern about reimbursements and the leave paid portion of the draft rule. Leave is not part of their payroll system and there was a concern about posting those separately. The rule requires that leave be posted separately. Higher Ed pays reimbursements through their accounting systems, not their payroll systems.

John Reidhead commented that they could add the same language to reimbursements as the leave. We do not expect something that is not in their system. The rule requires leave to be posted separately if it is posted separately in their payroll system.

Randy Merrill would like to submit only useful information, not huge amounts of non-useful information.

Brenda Lee stated that the rule does not apply to school districts.

Senator Niederhauser explained that the way it has been done in the state was to download a lot of details. The taxpayer can then create information with the power of the website. The information is on the website to make government accountable and it allows citizens to question the things government does.

John Reidhead said the Division of Finance only has the authority to make rules for State participating entities. The Board develops policies for other participating entities.

John feels that the rule that they have submitted is a good starting point to develop policies for other participating entities.

Jonathan Ball said there was another value to the website, if the information is out there and available, it is statewide not just one district. There would be one place where you could find how public education spends the money. Having it all in one place on this website would be enormously powerful.

4. Update from Finance on Outreach to Participating Entities: Brenda

Brenda stated that they have met with the superintendents of the school districts. They have also met with the business officials of the school districts, and they were a little overwhelmed with the amount of detail they have to post to the website.

They met with the Charter Schools Director, and they are meeting with them again to see if they can map their data to the website. There is a meeting with UCAT's this week as well. Brenda stated that they have received a lot of information from the entities and they are making progress.

Val Peterson reported that Higher Ed. is doing fairly well, but they are having difficulty uploading files. Most of the schools have worked through their programming issues and are inline to go live in May.

Brenda asked if Higher Ed. could meet the two levels of organization.

Val stated that everyone would be able to meet the two levels and maybe three levels of organization. Val said that most of the schools data is so large that the system isn't designed to take the size of the files that we're uploading.

Michael Rice responded that it is not the size of the file, but the format. There are some technical issues that they have been working through with the universities. Once they get the file format down they are able to upload the file. They have been working on it so they can upload more frequently.

Senator Niederhauser asked if in the upload they were giving information on scholarships and reimbursements of employees. He was concerned about the scholarship issue.

Val Peterson said that they would comply with FERPA and HIPAA laws. The scholarship and grant side they have not discussed, they felt that the FERPA laws would apply. They will go through their data and comply with the requirements as necessary.

5. Reports on Progress or Issues from Participating Entity Groups:

(a) Higher Ed.

Val Peterson reported about the issues with Higher Ed.

(b) School Districts

Randy Merrill does not know how to be of assistance to the school districts and feels the need to define what kind of help they need.

Brenda Lee said they would help.

John Reidhead stated that to move forward they needed know how to get the policies and structure set up for the participating entities.

Senator Niederhauser asked if the Board has rule making authority or policy making authority.

John Reidhead stated that the administrative rule making authority is given to agencies. The Board has power to decide what the participating entities will do, but they don't have rule making authority. We have the authority under the law to make the policies even though it is not an administrative rule. The Transparency Board needs to come up with policies and get them out to the participating entities.

John Reidhead asked if it appropriate to have a policy for schools, verses charter schools, verses higher ed. and so forth, or is there going to be one basic set of policies that all groups will follow.

Senator Niederhauser suggested taking the rule and using it as the example to modify appropriately and develop the policy for other participating entities.

John Reidhead said the Division of Finance could make a draft policy, and if there were exceptions from the different groups they could bring them to a board meeting with what their proposal would be.

Brenda Lee stated that they have taken School Districts financial reports and suggested a mapping for them to go to the website. They have taken the detail transactions from those reports so they could map them from that to the website. She said they are trying to give them some direction.

Representative Sumsion would favor putting in place some broad guideline policies of what we are looking for and then let entities go with that. If an entity does not want to follow the policy, then come down with a specific rule.

Brenda Lee said they have tried to make the rule generic with not a lot of detail. They did ask for at least two levels of category and organization.

Representative Sumsion thinks they should report to the website the level of detail that they report in their own accounting system.

Brenda Lee stated that there are ten levels available on the site, so the flexibility is there.

Val Peterson agrees that they want to be transparent, but there are huge costs involved in providing all the information to this system. Val said that this is an unfunded mandate for Higher Education and all the entities that will provide data to

this system. If the legislature is willing to provide funding for detailed reports to go on the website, then they are happy to accommodate that. But, there is not any money that is being reimbursed to any institution or entity to create the transparency website. There is a cost to the state and to the public depending on the extent we want to go with all of this.

John Reidhead said that everyone has an idea of what they want to see on the website, but then you get into situations where you have to change the way the accounting is done. The cost benefit of making these changes needs to be considered. We need to get the information on the site without making too many manipulations to solve everyone's questions. We need to have participation from the entities with the May 2010 deadline begin to happen so they (Finance) can move on to those entities with the May 2011 deadline.

Representative Sumsion understands that we funnel detail into the general ledger, and does not have a problem doing this in steps, but, wants it to be consistent.

John Reidhead stated that there are limitations in the data and that is why there are contacts listed on the website, so if there are questions the public can have them answered.

Senator Niederhauser does not want us to underestimate the public and their ability to understand things. He feels we need to provide the information and let the public decide what they want to look up. The Senator wished that they did not have to create an unfunded mandate, and that the participating entities in the state would do what they should do regardless of the law and get the information out on the site. We need to accept it and move on and consider it a duty that we have to create a website for the public.

John Reidhead said that Finance will draft something and send it out to the board members representing the entities, so they can find out what the entities can do.

(c) Charter Schools

Brenda and Darrell Swensen met with Marlise Burns at the state office and they understand what the needs are and how small some of the entities are and that some may be exempt from some things because of their size.

Brenda Lee stated that the Board will have to look into the 10 million dollar exemption. The Board has not set a threshold for an exemption. The law has left it up to the board to decide. Brenda is planning on meeting with Charters Schools and getting their input on it.

Scott Smith asked for guidance for what data they were looking for, and if it was for individual schools.

Brenda Lee assured Scott that the website was generic.

(d) Transit Districts

Ken Montague said they are making progress. It is not as easy as pushing a button, but they are working to make their data understandable.

6. Continued Discussion on Board Policies for Participating Local Entities.

John Reidhead suggested that the Division of Finance draft up some policies and get them out to the groups, and then get feedback from each group with suggestions in each of the following areas.

- (a) Content, frequency and form.
- (b) Size or budget, thresholds for participating local entities.
- (c) Special consideration for entities with budgets less than \$10 million.
- (d) Entities with system limitations.
- (e) Entities without technical support

Randy Merrill has a meeting with the school superintendents on Dec. 7th, and would like something to present to them at that time.

Brenda Lee felt like they could have something drafted for him by the meeting, but it would not have been cleared by the Board.

Brenda Lee asked a question about the Special Consideration for entities with budgets less than 10 million, she wanted to know if the Board wanted to go forward as though everyone was going to participate on the website, or set some exemptions for those entities that are small. She wanted to know how the Board wanted to proceed with the policy.

It was decided that they would proceed as though all entities would participate. And they would deal with cities and towns at a later time.

Jonathan Ball wanted to know if Brenda had received any requests to not participate or to be treated differently.

Brenda responded that there had been a few entities that wanted to do it on their own website, but have changed their mind when they realized what was needed.

Jonathan Ball made a motion to keep the standards that are in place where everyone reports, and uses the website if they can. There are no exceptions, everyone reports quarterly unless someone requests an exemption from that, and then the Board could consider that.

John Reidhead said they would draft a policy and send it to the Board and the entities. Then wait to receive their feedback, before the Board decides anything.

7. Other Issues

(a) Levels of government on the website.

Michael Rice stated that the website only shows *State* in the level of government field. The question is how we are going to describe the other entities for the public.

Jonathan Ball said that he would like to see the level of organization at: State, Local Governments, School Districts are a separate political entity, as well as public education, and Higher Education. Charter schools may be put under public education or may not be. There is a perception issue where people may not realize that charter schools are public schools.

Brenda Lee listed the level of governments that are in the law:

State

Higher Ed.

School Districts

Charter Schools

It was suggested when charter schools are a separate level of government they would be easier to find. If the entities are split up in these levels of government they will be easier to find.

Jonathan Ball asked if they were planning on putting charters schools separate from school districts in the level of government.

Michael Rice explained how the website worked, and the summing of the information that we have tied to the entities. What Jonathan is asking for, is to sum the data beyond that level.

Jonathan Ball asked if there is difficulty summing the charter schools with the districts.

Michael Rice said that you could add an extra field where you would have Level of Government, and Sub Level of Government and then the entity.

Jonathan Ball asked if they were going to be able to do that at the district level, or does every entity need to show up in that field?

At the entity level it will need to show every district because they are submitting the data separately. Jonathan stated that it has been defined by who submits the data.

John Reidhead said that was correct, but they need input to decide what the definitions will be in the level of Government. Then they will put the entities that fit into those levels of government.

Representative Sumsion suggested keeping the charters at the same level as the district schools, and then on the website listing them as public charter schools, and public school districts.

There was a discussion about how the level of government and how the entities will be listed, to make it easier to narrow down the search for the public.

Jonathan Ball made a motion on the level of government:

State

K-12 Education, would include School Districts, and Charter Schools (all on the same list).

Higher Education

Cities and Towns

Counties

Service Districts

It was moved, seconded, and passed unanimously.

- (b) Other possible Website views, such as capital outlay, checkbook, or balance sheet. This was a on the last agenda.

John Reidhead feels that we do not want to make too many changes, because we are on a limited time schedule. The more changes that are made will put us behind.

8. Public Comment

Royce Van Tassel from the Utah Taxpayer Association, wanted to bring an opportunity to the Board. He has been speaking with the State Auditors Office about consolidating some of the reporting such as the CAFR and similar reports. There have been complaints about the CAFR and other reports being in a PDF format and not searchable. The auditor's office would like to consolidate the reporting that a number of groups have to do for the census bureau and the state. They are in the process of putting together some forms that would allow them to put all of the data together in a common format, and then they could submit one report in one place that would be sortable and searchable. This is one place where pooling of resources would minimize reporting and make things more transparent.

John Reidhead said they would follow up with Van Christensen who is the head of local government audits.

9. Next Meeting:

January 19, 2010

8:00 a.m.

Room C415

There was a motion to adjourn, it was seconded and passed.