

TRANSPARENCY ADVISORY BOARD MEETING

December 7, 2010

Attendance: Ken Peterson (for Stephen Fletcher) Senator Wayne Niederhauser John Reidhead
Representative Ken Sumsion Jonathan Ball Cecil Tuley (for Mayor Love) LeGrand Bitter
Bruce Larsen

1. Welcome

John Reidhead welcomed everyone and brought the meeting to order. John announced the three new Board Members, Bruce Larsen, Salt Lake County Auditors; LeGrand Bitter, Utah Association of Special Districts; and, Cecil Tuley, City Council, representing Mayor Mia Love, Mayor City of Saratoga Springs.

2. Review of June 21, 2010 Meeting Minutes

Senator Niederhauser moved to approve the minutes from the June 21, 2010 meeting. It was seconded. There was no further discussion and motion was carried by unanimous vote.

3. New Board Members and Election of Chair and Vice Chair

By law it is required of the Board to select a Chair and Vice Chair Annually. Ken Peterson moved to nominate the current Chair and Vice Chair to serve another term. It was seconded. There were no other nominations. There was a vote to close the nominations and the nominations passed unanimously. John Reidhead will remain as Chair and Senator Niederhauser will remain as Vice Chair.

4. Update on Website Status

a) Usage statistics

Michael Rice from Utah Interactive reported on the usage from the past 18 months since the website was launched. There was a spike of visitors at the beginning and another increase in visitors when the State put their payroll data on the site. The next increase came in May 2010 when the School Districts, UTA and Higher Ed. data were added to the site and then again there was a spike when these entities payroll data was added.

There have been 31,077 visitors since the beginning of the website and the average time spent on the website in the beginning was 5 minutes. The average visit to the website in the last two months has been around a 100 visitors a day. In May 2010, the average time on the site was 12.5 min. The State's network accounts for 25% of the visits to the website, 37% is from UEN and the commercial networks, and 38 % came from different networks throughout the country and world. Seventy different countries have visited the site in the last 18 months.

On December 1, 2010, there was an upgrade made to improve the speed performance of the website. In the download file they added categories, funds and organizations as part of the transaction data. The upload information was also improved to be able to load faster.

b) Website inquiries.

Brenda reported that there have been a couple inquiries from Arizona; they have talked about using our software for the website. There was an inquiry asking who developed our website, and a state employee was worried about identity theft with their data being on the website. There was an email congratulating John Nixon on his new job, which was forwarded to John. Brenda received an email from an HR person from Arizona asking for all the information on the website. An inquiry came from USPIRG (Public Interest Research Groups). They are a company that grades transparency websites.

It was suggested that the ability to download more information should be increased. It was decided to wait and address this issue at the next meeting.

There was a discussion about the website slowing down when the entities added their information. Michael Rice reported that there was a slow down when all the entities tried to put their data on the website on the same day. He expects the same thing to happen this May when the Cities, Counties and Municipalities put their data on the website.

Brenda reported on visitors from African Countries and Near East Countries that had visited to discuss Transparency in Government. They were impressed with the technology and the fact that we have all the data available. Jonathan Ball said that there had been visitors from Pakistan who also looked at the website; they were looking into the context of government fraud. Brenda said that many countries asked if the website helped with fraud and corruption in government.

5. Status of Participating Entities

a) 2010 entities.

Brenda reported that there is a 95% overall participation with revenue and expense for the 2010 entities. They continue to work with the remaining entities and the 2011 entities to help them get their information on the website. The names of the entities that have not complied will be sent to the Board.

Employee compensation data was due the end of September, not as many of the entities have submitted this data. Most entities are working toward posting this file.

Representative Sumsion said that some of the Charter Schools were in the middle of year-end reports and budget planning. He asked if they might change the timeframe so it will work out better for these entities.

Brenda Lee explained that the fiscal year ends June 30th, they were given 3 months to post the data, and they continue to work with any entities that have not put their compensation data on the website.

b) Some school districts not able to report benefits in employee compensation file.

Brenda stated that there are 25 School Districts that are having a hard time getting the benefits information into the employee compensation data.

Darrell Swensen reported that The State Office of Education has a Financial System that supports these smaller districts, it is an old system, and the data for the benefits is not accumulated for an

entire year electronically. It is accumulated monthly. They did have payroll, salary, wages and FICA taxes. They also have retirement costs, but not other benefit costs such as health insurance. They did not have the resources to make the changes in the system to provide all the information by employee. They are changing their system and it is being modified to capture the benefit information in their system on an annual basis. There will still be some data missing. Darrell continues to work with these School Districts and to help them post as much of the data as possible.

John Reidhead explained to the new Board Members that you would only see on the website for compensation a total benefit amount for each employee. These benefits would be sent in consolidated and would not be broken down by the type of benefit. They feel that that is appropriate under the GRAMA laws of the State and it does not violate HIPAA or other privacy laws.

Senator Niederhauser commented on GRAMA and some discussions he has had with associations, local districts and other entities about certain level employees having their names and salaries and benefits on the website. He would like that to be an agenda item and invite the press to the next meeting. He would like to create a threshold for people who would have their names, such as legislators, administrators and certain levels of management, anything under that would be stated by title, not by range of salary, the actual position and how much that position was paid. That may be a statute change. The Senator brought up Representative Powell's bill from last session that did not go through. He said they will need someone to run the bill for this session. Senator Niederhauser feels that this is important issue.

LeGrand Bitter stated that Senator Niederhauser and Representative Sumsion attended the Salt Lake Auditors Association's annual convention and they spent some time with the people explaining this GRAMA issue. He spoke about Representative Powell's bill from last year's session and that they had some meetings with the Utah Press Association about this issue. All that were involved in that process were not ready to have the bill go through last year but there was acknowledgement on the part of the Press Association that the concerns were valid. He did speak with the Sutherland Institute with respect to this item as well. He too would like to have this as a future agenda item.

LeGrand Bitter asked if there were guidelines to submit data to the website.

Brenda Lee explained that there was a policy on the website with the guidelines to submitting the data and that the data is reviewed on the test site before it goes public. They have seen some errors from some entities that have showed detail benefits by name and they have made sure it is fixed before it goes public.

Brenda asked for guidance from the Board about the issue with the USOE and the incomplete Employee Compensation.

Jonathan Ball would like to see the State Office of Education have a central accounting system.

Darrell Swensen stated that the USOE system will change in January 2011, and it will show the benefits, this is to comply with the federal law. They will be able to report the benefits, such as health insurance, but will not be able to show Workers' Comp. or Unemployment, but they are a small amount of the benefits.

There was a discussion about the USOE and whether to go ahead with what benefits they have available to post to the website.

The Board determined that providing data to the public even though incomplete at this time, is in the best interest of transparency, but still expects that the issues need to be resolved and full benefit data submitted.

The Board and the Division of Finance encourage the use of the Excel template available from the Division of Finance for those entities who can compile the full benefits and payroll amounts by employee. The template is fairly simple to use. If this is not practical, then those entities using the USOE FIS system may upload their FY 2010 Employment Compensation using the USOE program.

For the public who may want to do comparisons of data, the Official Transparency website will display a note on the front page that will indicate the entities that do not have all of their benefit amounts posted.

The Division of Finance will continue to work with the USOE programmers and the entities using the USOE FIS systems to implement the system and other changes needed as time and resources permit to ultimately have the complete benefit amount included in the Employee Compensation amounts uploaded to the Transparency website.

There was a discussion about making some changes to the Transparency website so that the USOE information could be viewed like the State's data. However the Board did not agree or vote on a motion to do this.

Brenda Lee said that if the Board wants the School Districts combined they could put them on a project list.

Jonathan Ball would like comparability on the website and Senator Niederhauser would like to see this accomplished, it may require some standardization.

There was a discussion about what was required from the entities on compensation. Entities need to have employee benefits rolled up by individuals. The policy may need to be updated to list what benefits are to be included.

Representative Sumsion agrees that there should be consistency within the accounting practices and procedures for all entities submitting data to the website. He said that at the State Level they need to look at some systems and solutions so they could implement new systems across the state to Governmental entities, so they are able to upgrade their systems. He feels that this is something to look at in the future.

LeGrand Bitter suggested that they work with the entities to comply and encourage them to respond. Perhaps have the entities submit something in writing that addresses their problems and then also have them give a timeline as to when they will be able to provide the information to the website.

John Reidhead stated that in regards to the Report Relief that Senator Niederhauser spoke of, Finance does not Charge Utah's Right for the data they request, they give them what is put on the Transparency website for State of Utah employee compensation for free. He is hoping that other

agencies and participating entities will do this as well. Hopefully, this will save them from creating a separate data file for Utah's Right.

c) 2011 entities

Brenda reported that there will be over 300 new entities that will add their expenses, revenue and employee compensation to the website in 2011. That is more than double the amount that was added in 2011.

6. Further State Agency Transparency

There was a discussion about a report from the Fiscal Analyst's Office and the Executive Appropriations Committee about the Dept. of Human Services budget and that individual transactions from the USSDS system were not reported on the Transparency Website.

Jonathan Ball said that there are large amounts of data that are in separate payment systems. He would like one payment system. He said that he was able to get the transaction detail in a CSV file, he would like to have that loaded to the Transparency website rather than the journal entry that is currently posted from FINET.

John Reidhead stated that there may not be time to address this issue at this time while getting the 300 new entities on the website by May, and their compensation by Oct., but as agencies update their systems, John would like to encourage them to send their payments through FINET.

Senator Niederhauser would like to have a central processing for payments. He feels that this would save money. This is something that will be addressed in a future Legislative Session. He feels this should be an agenda item for a future meeting.

Jonathan Ball asked 2 questions. 1. As a Board do we want to improve transparency? 2. Do we have the time and resources right now to do it? There was a discussion and comments about this. The Board agreed to put this issue on and put it on a future agenda.

7. Other Issues

a) Sutherland Institute website.

Sutherland Institute has a transparency website called transparentutah.org they have also reserved transparentutah.com, there is a small risk that the public may confuse our website transparent.utah.gov with their site. They do have a tab that links to our website. No concerns were expressed by the Board about this.

b) Transparency funding issues.

Division of Finance did request money in their budget for ongoing maintenance of the website and funding for Darrell Swensen. The original agreement with Utah Interactive for the state was \$38,400 per year for maintenance. With the additional entities that were added last year it went up another \$24,000. With the 300 entities that will be added this year that will go up to approximately \$110,000. That is the amount that has been requested in the budget.

c) Speed of website.

The speed has been improved and with the additional 300 entities that will be added they are hopeful it will respond well.

John Reidhead said that they will work with the Governor's Office on a press release, about the new Board members and the compensation data that has been added to the website.

Brenda Lee will send to the Board the website statistics, the usage, number of hits etc.

Darrell Swensen is available to help the new entities with any questions or problems they may have. And he will continue to help all the entities that have had trouble downloading data. Brenda Lee and Darrell will be available to demonstrate the website and the template to any entities that ask for it.

8. Public Comment

There were not any comments from the public.

9. Next Board Meeting Date.

The tentative date for the next meeting is March 22, 2011.

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