

Utah Transparency Advisory Board Meeting Minutes
January 8, 2013
State Capitol Building
Room 415 - 8:00 A.M.

Attendance:

Chair: Senator Wayne Niederhauser, Utah State Senate.

Vice Chair: John Reidhead, Director, Division of Finance, Utah Department of Administrative Services.

Jonathan Ball, Legislative Fiscal Analyst, Utah State Legislature.

Kristen Cox, Executive Director, Utah Governor's Office of Planning and Budget.

Mark VanOrden, CIO/Executive Director, Utah Department of Technology Services

Representative Steve Eliason, Utah State House of Representatives. (absent)

1. Welcome:

Senator Niederhauser welcomed everyone to the meeting and introduced Kristen Cox. She is a new Board member from the Governor's Office.

2. Review of September 20, 2012 Meeting Minutes:

There were no revisions to the minutes. John Reidhead made a motion to approve the minutes from the meeting held on Sept. 20, 2012, it was seconded and passed.

3. Update on Website Status:

a) Usage statistics

Brenda Lee, Assistant Director of the Division of Finance reported for Michael Rice. She said the website has been up for almost four years (May 2009). There have been 31,000 total visits to the site during that time, 60 % were returning visitors. Brenda said that for the month of Dec. there were 50 visits per day with about 1,300 total visits. She said that there is an increase of visits when new data is entered.

There are not as many requests for downloads, because data can be now be downloaded by visitors for a \$1.00 charge for large downloads and nothing for smaller ones.

Senator Niederhauser would like to know how many downloads there have been. Brenda will ask Michael Rice for that information.

b) Website inquiries

Darrell Swensen, Transparency Coordinator with the Division of Finance said that the website has received six inquiries since the last Board Meeting. One was from the New York State Budget Division requesting the name of the vendor who developed our website. Another request asked about the Open and Public Meeting rules. Brenda responded to this request. The rest of the

inquiries were mainly for information about entities that were or were not on the website, or Transparency laws and policies. All inquiries were responded to.

4. Status of Participating Entities:

a) 2010 entities

Darrell Swensen stated that in the 2010 implementation group there is 95% participation on the revenue and expense data and a 94% on the employee compensation.

Darrell said that the 25 School Districts that had used the State Office of Education's financial system are moving to a new financial system. It is the same system as the Nebo School District. Darrell continues to work with them and feels that it will be easier for these Districts to report to the website with the new system.

Jonathan Ball thinks this is an opportunity to implement the common chart of accounts defined for public education for all districts and charter schools. He would like to standardize the districts and charter schools LEA data, so that it is comparable across entities.

b) 2011 entities

Darrell reported that the 2011 implementation group has a 95% participation in financial data and employee compensation. Darrell is working with the Local and Special Service Districts to help those who have not posted to the website. Some of the entities that have not posted are the health districts that will be discussed later in the meeting.

c) 2013 entities

The Interlocal Entities are due to come onto the website on May 15, 2013. Darrell said that he has had responses from 90% of those entities that have a budget of 1,000,000 or more. Seven of these entities have already posted to the website.

5. Other Issues:

a) Gunnison Valley Hospital - are they subject to GRAMA for disclosure of financial and employee compensation data?

Mark Dalley administrator for the Gunnison Valley Hospital and Greg Rosendahl the former administrator of the hospital were invited to address the Board. Mr. Dalley said that he received the letter from John Reidhead indicating that the Board had determined that whether Gunnison Valley Hospital was subject to GRAMA would be the determining factor as to whether they would need to report to the Transparency Website.

Gunnison Valley Hospital does not receive property tax or sales tax dollars to support the hospital so initially they thought they would be exempt from reporting to the website. They understand that GRAMA has become the determining factor.

They discussed the issue with legal counsel and the two other district hospitals that have not reported to the website. The determination is that they are subject to GRAMA regulation and would need to report the information. They understand that there is certain information under GRAMA that can be protected if it would lead to inappropriate competitive advantage. They feel that reporting physician salary information would fall under this protected information.

Mr. Dalley said that they would report the data and asked to be given 30-45 days to get the information uploaded to the website. They will report data from 2011 forward, but they will not report the salary information on positions that would lead to inappropriate competitive advantage. These would be protected under GRAMA

The other hospitals that are Special Service Districts will also report their data the same way.

b) Policy Revision – Employee Compensation wording for deferred compensation.

Brenda Lee presented the proposed language change in the policy on deferred compensation. Laura Howett from the U of U addressed the Board at the last meeting about deferred compensation. She asked if deferred compensation should be included as a benefit or wage. Brenda made some changes to the language in the policy to make the language more general. The Board received a copy of the proposed changes to review.

John Reidhead discussed that deferred compensation will show up as an expense of the governmental entity, but not on an employee's paycheck. He explained that they want to report at the employee level what is expensed, but not necessarily paid.

The proposed policy changes were presented to the Board. The changes clarify that entities are not to necessarily report what is put on a W2, but to report the amount that is expensed for the employee on the entity's accounting records. The Board discussed the new language on compensation and how it is expensed.

John Reidhead made a motion to approve the proposed changes in the policy and make revisions as necessary. John said that the policy with the changes would be sent to the University of Utah for additional input.

A vote was taken and the motion passed.

c) Transparency website grading by Public Interest Research Group (PIRG) and other entities.

Brenda Lee reported on the grading of the website from the Public Interest Research Group (PIRG). They are the biggest national research group that grades transparency websites. She said that our transparency website went from a C grade in 2011 to B+ in 2012 by adding a way for the public to give comments and by adding a link to a Tax Commission report.

Brenda said they compared Utah to other States websites that received better grades and looked at the differences and what was lacking on our website compared to the other states that were

graded higher. Brenda reviewed and explained the handout. She explained that the yellow highlighted area is where the website fell behind.

There was a discussion about the contract information. The total points available are 10 and we have 5 points because not all contracts are on the website. We only reference statewide contracts on the State Purchasing's website.

John feels that even if we added more information we would still not get the 5 points because we don't have all the agency contracts on the website. These contracts may contain private information that would need to be redacted.

Under Historical Expenditures, when the grading was done the Transparency Website had been up for 3 years. We will receive another point this year because we have 4 ½ years of data on the website.

Senator Niederhauser stated that there was a policy decision when transparency was passed, to move forward not backwards. He feels there will need to be some discussions regarding the policy on contracts.

Brenda was not sure what was needed to get the full points on Grants and Economic Development Incentives. There is a description from the grading website that will have to be analyzed to see what needs to be added to acquire the additional points.

Jonathan Ball said that the Legislature may be able to help with this issue. He feels that this is a sorting issue or a search issue. The Legislature receives a report on Grants and there could be a link to that report and there could also be a link to the expenditure data as well.

John said they will contact GOED and Heritage and Arts to see if they have a report they can link to. They will also contact the part of Work Force Services that used to be a part of Community and Economic Development for their report.

d) Possibly adding information to the front page of the website to highlight which entities have most current data and those with the least current data.

Jonathan Ball pointed out the front page lower left hand corner where the recent updates are listed and where there is a logo to the left of that column. He would like to add the information on the current and late data to this part of the website.

The list is vertical and he would like a horizontal depiction of the logos with a title below stating the most recent updates with the date their data was updated. Below that there would be icons (logos) listing accounts that were 30 days past due, 60 days past due etc. It would show from the most past due to the least past due entities that had not updated in the prescribed timelines.

Jonathan Ball feels that if the entities have made an attempt to keep their data current they would get credit for it. If they are out 30 days or more from the last deadline then they would start to show as late.

Brenda said that they could do a statement of work to see what the bid would be from Utah Interactive to see what the cost would be to add this feature to the website.

Senator Niederhauser feels that this is important to show this information about entities who are late in reporting and those who have not reported.

Rich Olsen from Utah Interactive (UI) suggested that Jonathan let them know what his intent is and then they will put together some design concepts for the board to review.

Senator Niederhauser would like to know what entities are not reporting and those who are late in reporting.

Jonathan Ball will work with UI to explain how he would like to show this data.

e) Transparency issues to address during the Legislative Session.

Senator Niederhauser said there were a couple of bills in the Senate regarding the Transparency Website.

John Reidhead said they are tracking the bill that is requiring the School Districts and Charter Schools to report according to the Office of Ed. Chart of Accounts.

Senator Niederhauser would like to know if all the data is being reported to the website.

Darrell Swensen stated that he is fairly confident that the entities are getting the data out of their financial systems and reporting everything that is there. He said there were a number of entities that are not up to date. He continues to work with entities to get them up to date and to keep them current.

There was a discussion about what was being reported at the State level. Jonathan Ball said that the disclaimer at the bottom of the front page of the website states that the data is unaudited and does not tie to financial statements. Jonathan Ball would like a connection between the website data and the State's Financial Statement (CAFR).

Brenda Lee explained that the State reports every journal entry and accruals to the website.

The entities are required to report the data to the website one month after the end of a quarter. That is before their audits are complete. All audit adjustment entries are eventually posted to the website, if they are posted to the entity's accounting system.

Senator Niederhauser said he feels that those entities that have an independent audit should get an opinion from the auditor that states if the entity is in compliance with the transparency statute.

6. Public Comment: No public comment.

7. Discuss Next Board Meeting Date: Will be scheduled for the first part of May.

There was motion to adjourn, the motion was seconded and the meeting was adjourned.

Assignments:

1. Brenda will ask Michael Rice how many downloads there have been for Senator Niederhauser.
2. Send policy with the changes to the University of Utah.
3. Contact GOED, Heritage and Arts and Workforce Services to see if there could be a link from their Grant reports to the website.
4. Jonathan Ball will work with Michael Rice on possibilities of adding recent updates and entities that are past due to the front page of the website.
5. Mr. Dalley / Gunnison Valley Hospital should report data to the website within 30-45 days.