

MINUTES
(Subject to Approval by the Committee)
Committee on Uniform Accounting and Transparency
Friday, September 24, 2021
9:00 A.M.
WW54
Boise, Idaho

Cochair Jim Rice called the meeting to order at 9:00 a.m.; a silent roll call was taken.

Committee members in attendance: Cochairs Senator Jim Rice and Representative Steven C. Harris; Senators Jeff Agenbroad and Alison Rabe; Representatives Jim Addis and Brooke Green. Legislative Services Office (LSO) staff present: April Renfro, LSO Audits Division Manager; Jolene Crumley, Research Liaison; Shelley Sheridan; and Jennifer Kish.

UPDATE ON DATA TRANSFER PROGRESS: COUNTIES/CITIES/SCHOOL DISTRICTS

Brandon Woolf, Idaho State Controller, State of Idaho Controller's Office (SCO), introduced SCO staff in attendance: Jason Iasonides, Heath Ribordi, and Mackenzie Reathorford. Mr. Ribordi reviewed the [House Bill 73 project](#), its mission, scope, and governance. Mr. Iasonides provided an overview of the project. He reported that the SCO was allocated three full-time positions; two have been hired, including Mr. Ribordi and Marisa Gonzales-Mabbutt, to assist with the Uniform Accounting Manual (UAM). Mr. Iasonides stated that the SCO was responsible for deploying most of the CARES Act and ARPA funds, which enabled the SCO to work with local governments. He advised that the UAM would drive the transparency component of the project. He added that Mr. Ribordi has been reviewing the processes of other states and consulting with the associations of cities and counties who currently have UAMs. Mr. Iasonides stated that IC data related to education was available, which he believed could be scanned relatively quickly, and that information was being gathered from vendors. Mr. Iasonides reported that the SCO's goal was to have comparable data and that communication was key. He noted that a tactical communications plan was developed in partnership with the associations and the Board of Education to overcome any resulting concerns. He reported that the SCO participated in presentations, which gave the opportunity to hear concerns, and that a web page would be posted on the transparency website outlining House Bill 73.

Mr. Iasonides referenced the [Local Transparent Idaho](#) information page, highlighting the proposed pilot groups. He noted that only the pilot for school districts was solidified and that the participants listed in the other pilots were volunteers, not actual participants. Mr. Iasonides stated that the goal was to have a good representation of the state of Idaho - both geographically and by size. He noted the importance of knowing the accounting systems and how the information would be entered. Mr. Iasonides noted the January 15, 2022, deadline related to the Local Government Registry and that the SCO was working with the LSO Audits Division to keep the reporting process status quo in order to not disrupt reporting by the local government entities. The goal was to also have a central location for the registry that collected budgets and audit information and to have local transparency with transaction-level data. Cochair Harris asked for feedback on the statewide conferences. Mr. Iasonides responded that the SCO received a lot of feedback, including that communication was key. He stated that the SCO assured entities that there would not be a sweeping change and that the SCO would carry the brunt of the work. Cochair Harris asked if some entities felt they could not do the work. Mr. Iasonides replied that there would always be some, especially with the smaller entities, but education would help overcome those challenges. Controller Woolf added that entities were hesitant and concerned with added workload. He stated that the SCO would like to set expectations and to automate as much information as possible to help ease that workload. He stated that automating the information would increase trust and reduce fraud. Cochair Harris asked how the associations responded. Controller Woolf replied that the associations were

incredibly helpful and supportive and acted as a conduit to help with communication, education, and understanding. Cochair Rice stated that the goal was to have a single reporting location and that the information reported would be useful. Controller Woolf commented that communication and an inventory of required information for reporting purposes was imperative.

CHALLENGES IN DATA TRANSFER PROCESS: COUNTIES/CITIES/SCHOOL DISTRICTS

Mr. Iasonides stated that the SCO was up to the task in addressing challenges as they occurred. He noted one challenge was the disparities in data and vendors, that each group used different accounting systems, and there was no uniformity. He stated that the vision was to create uniformity. Mr. Iasonides stated that the SCO reviewed a sample of budgets submitted to the registry and found the data was not easily transferable. He stated that the counties had uniform accounting manuals, but not all counties had the same funds. Another challenge was how to automate the data; more research was needed and there would still need to be a manual entry component. He added that the SCO found about 49 funds that could be aggregated into higher categories; however, they would need to determine what level of data was needed. He stated that the higher the level, the more disparities there would be and that the data needed to be comparable. Mr. Iasonides stated that the big vision was to have budget and transactional data entered in one portal. Representative Addis asked if the SCO would require data for specific funds. Mr. Iasonides confirmed that specific fund data would allow an apples-to-apples comparison. Representative Addis recommended that the final product create the ability to drill down as much as possible on meaningful areas. Representative Harris asked if county and city accounting systems and software could be modified to produce the required data. Mr. Iasonides responded that the SCO was working closely with the Department of Education to collect data from six different systems used for school districts. He added that the SCO needed to know what data was needed to create a manual and to have uniform data and file types. Cochair Harris asked why the SCO was requiring manual input. Mr. Iasonides replied that transactional data would be automated; however, budgets uploaded in the registry were in PDF format. The intent was to have a list of funds for entities to manually enter figures when uploading their budgets. Senator Agenbrood asked what was being done with the data collected. Mr. Iasonides responded that the SCO would like guidance from the committee as to what information was needed and if that information could be retrieved. Senator Agenbrood asked if other states were surveyed. Mr. Iasonides confirmed that Ohio and Washington were among the states from which information was gleaned. Senator Agenbrood recommended keeping the system simple and flexible. Controller Woolf stated that the benefit of transparency was that it would build trust, change the culture, deter fraud, provide accountability, and provide information for policy makers to make sound decisions. Representative Addis commented that the data could help local taxing districts be more efficient, cut costs, and reduce budgets. Mr. Iasonides noted that the registry collected budgets and audits once a year, which was not transactional data. He stated that the SCO would need to separate that data in a simple manner. Additionally, the registry would remain the same, but would also allow manual entry of data that was meaningful and valuable.

Mr. Iasonides reported that the SCO had seen an uptick in calls requesting data. He stated that management of the registry would require a full-time position in order to sustain the ability to help citizens find information. He stated that education was needed and noted the challenge of addressing the disparity of information, not only from the five sample counties but from all 1100 districts.

The committee recessed for a break at 9:50 a.m. and reconvened at 10:05 a.m.

DISCUSSION ON UNIFORM ACCOUNTING MANUAL CONTENT

Mr. Ribordi reported that the SCO pulled 12 uniform accounting manuals from other states, dissected sections pertinent to Idaho, and contacted those states to learn their processes and goals to achieve transparency. The SCO contacted associations at the local level and began mapping out variances in their UAMs. Mr. Ribordi stated that the SCO found that other states had subject matter experts to develop their manuals and that the SCO was in position to draft a UAM for the

committee's approval. He added that the SCO also had a communication plan in place once the UAM was ready for deployment. Cochair Harris asked if the city and county UAMs could be merged. Mr. Ribordi responded that there were some similarities and a morphing of both was possible. Cochair Rice stated that a thorough review process was needed and discouraged going through it too quickly. He stated the process should be kept simple, yet make sure the needed information was obtained. Representative Addis asked if the system would allow the tracking and quantifying of state payments to local taxing districts. Mr. Ribordi responded he would need to research further.

COMMITTEE COMMENTS

Controller Woolf requested the committee provide expectations to better facilitate a working document for the committee's review. Cochair Rice stated that there would be information that cities and counties would want to see and that he was interested in seeing funding components in budgets and whether they are treated as a whole or separately in order to track general trends in changes in totals year over year, how and from where departments are funded, if there are barriers in budgets and if funds are separated when they should not be, and to have the ability to track individual expenses and sources of revenue. Cochair Rice expressed interest in redundant requirements among parts of government. Senator Agenboard encouraged the committee to consider the needs of municipalities. Cochair Rice suggested including associations in the review process of the drafts. Mr. Ribordi noted that states with a higher level of transparency had larger UAMs. Cochair Rice requested an overview of what the other states were looking for in developing their UAMs. Controller Woolf stated that the pilot programs will help provide direction and requested the committee provide a timeline. Cochair Rice requested the SCO provide the information to be included in the UAM and why the states thought that information was needed prior to the next meeting and to include stakeholders in the review process. Senator Agenbroad suggested high-level information. Cochair Rice expressed gratitude for the SCO, associations, and districts in participating in the process and felt the information would be beneficial to the state.

ADJOURNMENT

There being no additional business, the meeting was adjourned at 10:27 a.m.