

Utah State Board of Education

FINANCE COMMITTEE

April 5, 2024

Members Present: Kristan Norton, Cindy Davis, Brent Strate, Christina Boggess, and Jim Moss.

Staff Present: Scott Jones, Deborah Jacobson, and Cammy Wilcox.

Others Present: Sarah Young, Benjamin Rasmussen, Darin Nielsen, Leah Voorhies, Jared Felt, Don Modde, Greg Connell, Katrina Brinkley, Laura Wilson, Lexi Cunningham, Mark Waddoups, Paula Plant, Renee Edwards, Ryan Maughan, Royce Van Tassel, Rebecca Nielsen, Sam Urie, Dale Frost, Tim Davis, Michael Iwasaki, Brett Baker, Jennifer Thronsen, Tami Gear, Noralee Green, and Jerry Record.

Finance Committee Chair Norton called the meeting to order at 7:32 a.m.

5.2 Public Comment

Item 5.3 – R277-487, Public School Confidentiality and Disclosure OR R277-932, Information on Public School Options.

- State Charter School Board (SCSB) Vice Chair Cynthia Phillips - Email
- Utah Association of Public Charter Schools (UAPCS) Executive Director Royce Van Tassel
- Itineris Early College High School (IECHS) Executive Director/Principal Renee Edwards

Item 5.15 – Specific District Requests for Administrative Funds

- USSA Executive Director and USBA Associate Executive Director Dr. Lexi Cunningham
- Emery School District Superintendent Ryan Maughan

5.3 ACTION: R277-487, Public School Confidentiality and Disclosure OR R277-932, Information on Public School Options (Amendment)

The Committee heard public comment from:

- UAPCS Executive Director Van Tassel
- IECHS Executive Director/Principal Edwards
- SCSB Vice Chair Phillips - Email
- USSA/USBA Executive Director Dr. Cunningham

In the March 2024 full Board meeting, the Board passed a motion that the Board "refer R277-487 back to committee to consider putting public school options on the USBE website and require all LEAs to add a link to the USBE website to their LEA websites."

Staff reviewed the previous options made in conjunction with R277-487 and presented a new option, a new rule, R277-932 for committee consideration.

Staff presented the previous drafts of R277-487 or R277-932, Draft 1, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53E-9-302; 53E-3-401; 53G-11-511.

Committee Action:

Member Davis Motion:

That the Committee approve R277-932, Information on Public School Options, Draft 1, as amended, and forward to the Board for approval on second and final reading.

Motion: Passed unanimously

Member Davis Motion to Amend: That the committee amend Line 27 to read: (4) Each LEA shall place a link for the public school options webpage required under Subsection (1) on the LEA's student information portal, accessible by parents, and on the LEA's website.

Motion: Passed unanimously

MOTION FOR THE BOARD: That the Board approve R277-932, Information on Public School Options, Draft 2, on second and final reading.

5.4 R277-480, Charter School Revolving Account (Amendment & Continuation)

R277-480 is approaching its five-year review. Action is required by the Board no later than its May Board meeting to continue the rule. Staff recommended updates to the rule to align with current practices surrounding the charter school revolving loan.

Staff presented R277-480, Draft 1, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: Art X, Sec 3; 53F-9-203(2)(b); 53E-3-401(4).

Committee Action:

Member Strate Motion:

That the Committee continue and approve R277-480, Charter School Revolving Account, Draft 1, on first reading and forward to the Board for continuation and approval on second and final reading.

Motion: Passed unanimously

MOTION FOR THE BOARD: That the Board continue and approve R277-480, Charter School Revolving Account, Draft 1, on second and final reading.

5.5 R277-484, Board Reporting Deadline Table (Incorporated by Reference Document)

Staff recommended updating the submission deadline for the UTREx Current Year Complete October 1 Update.

Staff presented R277-484, Draft 1, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: 53E-3-501.

Committee Action:

Member Strate Motion:

That the Committee approve the Board Reporting Deadline Table, Draft 1, and forward to the Board for approval.

Motion: Passed unanimously

MOTION FOR THE BOARD: That the Board approve the Board Reporting Deadline Table, Draft 1.

5.6 R277-484, Data Standards (Amendment)

Staff recommended that the Board approve Draft 1, which incorporates the updates to the Board Reporting Deadline Table.

Staff presented R277-484, Draft 1, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53E-3-301(d) and (e); 53E-3-401; 53E-3-401(8)(a); 53E-3-501; 53E-3-511(8)2.

Committee Action:

Member Strate Motion:

That the Committee approve R277-484, Data Standards, Draft 1, on first reading and forward to the Board for approval on second and final reading.

Motion: Passed 4 to 1 with Member Davis opposed.

MOTION FOR THE BOARD: That the Board approve R277-484, Data Standards, Draft 1, on second and final reading.

5.7 R277-602, Carson Smith Scholarship Funding and Procedures (Amendment)

As a result of SB 44 in the 2024 legislative session, the Legislature changed what the Carson Smith Scholarship will look like going forward. After this school year, while current participants may continue to receive funding under the program, future applicants will be considered under the new Carson Smith Opportunities Scholarship, which is the successor to the Special Needs Opportunity Scholarship program. Staff recommended amending R277-602 to incorporate these legislative changes.

Staff presented R277-602, Draft 1, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53E-3-401(4); 53F-4-3.

Committee Action:

Member Moss Motion:

That the Committee approve R277-602, Carson Smith Scholarship Funding and Procedures, Draft 1, on first reading and forward to the Board for approval on second and final reading.

Motion: Passed unanimously

MOTION FOR THE BOARD: That the Board approve R277-602, Carson Smith Scholarship Funding and Procedures, Draft 1, on second and final reading.

5.8 R277-626, Special Needs Opportunity Scholarship Program (Amendment)

As a result of SB 44 in the 2024 legislative session, the Special Needs Opportunity Scholarship program is being renamed and will absorb future applicants who would have sought funding under the Carson Smith program. Staff recommendations for R277-626 address legislative changes to the new Carson Smith Opportunities Scholarship program.

Staff presented R277-626, Draft 2, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: Art X, Sec 3; 53E-3-401(4); Title 53E, Chapter 7, Part 4.

Committee Action:

Member Norton Motion:

That the Committee approve R277-626, Special Needs Opportunity Scholarship Program, Draft 2, on first reading and forward to the Board for approval on second and final reading.

[Motion: Passed 3 to 2 with Members Davis and Strate opposed.](#)

MOTION FOR THE BOARD: That the Board approve R277-626, Special Needs Opportunity Scholarship Program, Draft 2, on second and final reading.

5.9 Recognition of Progress, Achievements, or Improvements

Committee Members are provided monthly recognition by the Deputy Superintendent of Operations of key progress, improvement, and/or achievements by staff and/or programs.

Staff highlighted the USBE approved FY2025 Capital Improvement Projects.

5.9.1 INFORMATION: Program Monthly Report (PMR) on USIMS

The USIMS is an ongoing project that will modernize USBE legacy data systems and enable real-time access to data to inform decision making at all levels of the education system while also safeguarding against data breaches.

As part of the ongoing USIMS project, the Finance Committee receives monthly progress updates with a more detailed presentation once per quarter. Staff presented the quarterly overview of the USIMS PMR to the Committee and Members had an opportunity to ask questions.

5.9.2 INFORMATION: Program Monthly Report (PMR) on Utah Grants

Utah Grants is the Electronic Grants Management System utilized by the USBE for managing the full life cycle of grant funding. Utah Grants is used by USBE staff as well as LEAs and CBO partners for managing grant applications, awards, payments, and monitoring activities. The USBE works closely with system developers to continue to meet the expanding needs of the agency, while maintaining proper safeguards in the use and distribution of grant funds.

The Finance Committee receives a monthly Utah Grants PMR, with a more detailed presentation once per quarter, to account for project activities and priorities. Staff presented the quarterly overview of the Utah Grants PMR to the Committee and Members had an opportunity to ask questions.

5.10 INFORMATION: Requests for Data and Information

This is a perpetual agenda item that allows Finance Committee members to request data or information for information and/or decision-making purposes. This item also serves as how USBE staff follow up on requests for data and information from the Finance Committee members. Occasionally, staff may ask for action by the Finance Committee on data and information updates.

Member Boggess Request: A current chart of the birth rate in Utah opposed to student-enrollment rates.

Member Moss Request: Tennessee's financials related to one SIS.

5.11 Quarterly Report – School Children’s Trust and Utah Trust System

The Finance Committee asked for a quarterly report about the School LAND Trust Program and the Utah Trust System. The April report provided an update on the results of the 2024 Legislative Session related to the trust and plans for implementation.

5.12 Ratify Support for the Constitutional Amendment Created by HJR 18 Proposal to Amend Utah Constitution – State School Fund

The Board supported HJR18 Proposal to Amend Utah Constitution - State School Fund in the 2023 Legislative Session. The amendment will be placed on the Fall 2024 Ballot. It will be important for voters to understand that the Board supports the amendment. The amendment increases the cap on distributions to schools of School LAND Trust Funds from 4% to 5% allowing for a more equitable distribution for current and future school students, allowing for an increased distribution in coming years.

Committee Action:

Member Davis Motion:

That the Finance Committee recommend that the full Board support the constitutional amendment created by HJR18, Proposal to Amend Utah Constitution - State School Fund, in the 2023 Legislative Session that will appear on the Fall 2024 Ballot for voter consideration.

Motion: Passed 4 to 1, with Member Boggess opposed.

MOTION FOR THE BOARD: That the Board support the constitutional amendment created by HJR18, Proposal to Amend Utah Constitution - State School Fund, in the 2023 Legislative Session that will appear on the Fall 2024 Ballot for voter consideration.

5.13 Statewide Student Information System (SIS)

There are many potential benefits and some potential challenges to the implementation of a statewide student information system (SIS).

This presentation is at the request of the Board's Internal Audit committee, who requested this item from staff. Staff reviewed the current landscape of SIS systems in Utah K-12, current needs, potential challenges, and next steps for the Board to consider.

If it is a priority of the Board to pursue a single SIS system for Utah K-12 in alignment with the Board's Mission and Vision, the Board will direct staff to create a legislative funding request for the 2025 General Session for the Board to prioritize as a top request. The agency would pursue a solution through the traditional RFP process. The Board would not mandate implementation unless there is a dedicated, annual financial commitment for the SIS and funding to support LEAs in the transition to the new system.

Committee Action:

Member Moss Motion:

Member Davis Friendly Amendment

The Committee recommends that the Board directs staff to create a legislative funding request for the 2025 General session to articulate the need, alignment with legislative directives/audits, opportunity for local customization, and a 3-to-4-year transition plan for a Statewide Student Information System (SIS) **and direct staff to seek feedback from large and small LEAs and LEA groups, to be brought to the May Board meeting.**

Motion: Passed 4 to 1, with Member Boggess opposed.

MOTION FOR THE BOARD: That the Board direct staff to create a legislative funding request for the 2025 General session to articulate the need, alignment with legislative directives/audits, opportunity for local customization, and a 3-to-4-year transition plan for a Statewide Student Information System (SIS).

5.14 State Fiscal Year 2025 Public Education Budget Review and Recommendation for Approval

In accordance with the Budgetary Procedures Act and the Money Management Act, the Utah State Board of Education (USBE) sets the public education budget for the upcoming state fiscal year. The budget is a compilation of the appropriations from the Utah State Legislature and may include both supplemental and newly appropriated funds to the public education base budget. The Financial Operations section meets with section directors immediately following the legislative session to review appropriations

and ensure common understanding of the section budget (both new and ongoing balance). The budget is compiled and presented to the USBE Finance Committee for their review and recommendation to the USBE to adopt the next state fiscal year budget and/or supplemental funds to the current state fiscal year budget.

Committee Action:

Member Boggess Motion:

The Finance Committee recommends that the Utah State Board of Education adopt the 2025 State Fiscal Year budget.

Motion: Passed unanimously

MOTION FOR THE BOARD: That the Board adopt the 2025 State Fiscal Year budget.

5.15 Specific District Request for Administrative Funds

The Committee heard public comment from:

- Executive Director Dr. Cunningham
- Emery School District Superintendent Ryan Maughan

The new formula proposed to the legislature to replace the Necessarily Existing Small or Isolated Schools (NESS) formula was not approved and is not going to get implemented. Therefore, the previous NESS/Isolated Schools formula is still in effect. As part of the legislative process, there was not a provision for funding the prior year, one-time, administrative costs for rural school districts. The USBE surveyed the 16 districts on the impact of their not receiving a portion of the previously provided one-time administrative funds. The results were reviewed. The districts are requesting the amount identified to help absorb the effect of not receiving one-time funds for fiscal year 2025.

Committee Action:

Member Strate Motion:

Member Davis Friendly Amendment:

The Committee recommends that the Utah State Board of Education prioritizes unencumbered fiscal year 2024 carry-forward balances for FY 25 rural school district administrative costs, subject to finalization of the closing package in the September/October timeframe, and possible legislative approval/supplemental appropriation of the necessary amount during the 2025 general session.

Motion: Passed unanimously with Member Boggess abstaining.

MOTION FOR THE BOARD: That the Board prioritize unencumbered fiscal year 2024 carry-forward balances for FY 25 rural school district administrative costs, subject to finalization of the closing package in the September/October timeframe, and possible legislative approval/ supplemental appropriation of the necessary amount during the 2025 general session.

5.16 Request for Funds for Continuation for the Scrible Contract

The current contract with Scrible ends on September 1, 2024. There are multiple requests to extend the contract at least one more school year (24-25). The cost of the extension as of March 18, 2024, is \$950,000.

Committee Action:

Member Davis Motion:

The Committee recommends that the Utah State Board of Education approve the use of ESSER funds in the amount of \$950,000 to extend the Scrible contract from September 2, 2024 - September 1, 2025.

Motion: Passed 4 to 1, with Member Boggess opposed.

MOTION FOR THE BOARD: That the Board approve the use of ESSER funds in the amount of \$950,000 to extend the Scrible contract from September 2, 2024 - September 1, 2025.

5.17 Decision on an Isolated School

As part of the determination by the legislature on whether to adopt a new formula to replace the NESS formula, decisions on isolated school identification were put on hold. Now that the new formula was not adopted, there is a need to determine whether a particular school in Emery County School District should have the isolated school designation and subsequently receive funding under the current NESS formula for an isolated school. If the decision is made by the Board to recognize Emery High School as an isolated school, it will result in a redistribution of funding under the current formula which for FY 2025 will delineate particular school districts. There are several courses of action the Finance Committee can recommend the Board take. They are:

1. Do not recognize Emery High School as an isolated school and amend the current rule to ensure clarity on why it is not recognized as an isolated school.
2. Recognize Emery High School as an isolated school and direct staff to calculate the redistribution resulting in a reduction of funding to other districts to fund Emery High School as an isolated school.

3. Recognize Emery High School as an isolated school and direct staff to both calculate the redistribution and utilize \$310,000 from the tax delay portion of the Board's discretionary fund to hold the affected district harmless for one year (FY 2025).

Committee Action:**Member Davis Motion:**

The Finance Committee recommends that the Board approve:

- 1- Recognizing that Emery High School is a new isolated school, and
- 2- Direct staff to both calculate the redistribution and utilize \$265,000 from the tax delay portion of the Board's discretionary fund to hold the affected districts harmless for one year (FY 2025).

Motion: Passed unanimously

MOTION FOR THE BOARD: That the Board approve:

- 1- Recognizing that Emery High School is a new isolated school, and
- 2- Direct staff to both calculate the redistribution and utilize \$265,000 from the tax delay portion of the Board's discretionary fund to hold the affected districts harmless for one year (FY 2025).

The meeting adjourned at 12:46 p.m.