

Utah State Board of Education  
FINANCE COMMITTEE  
Summary of Actions

September 8, 2023

**Members Present:** Kristan Norton, Cindy Davis, James Moss, Brent Strate, and Christina Boggess

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

**Others Present:** Christelle Estrada, Ben Rasmussen, Leah Voorhies, Noralee Green, Tami Gear, Aaron Brough, Jared Felt, Sarah Young, Bethany Marker, Adam Herd, Katrina Brinkley, Max Lang, Rebecca Nielsen, Sam Urie, Benji Carrier, Tanya Albornoz, Michelle Watts, Paula Plant, John Palmer, Meghan Everette, Dale Frost, Wendi Morton, Shauntelle Cota, Nathan Auck, Todd Call, Jennifer Throndsen, Kevin John, Michelle Glaittli, and Tracy Vandeventer.

Finance Committee Chair Norton called the meeting to order at 9:00 a.m.

**Public Comment**

There were no requests for public comment.

**5.3 R277-113, LEA Fiscal and Auditing Policies (Amendment)**

HB2 from last legislative session amended 53F-2-209 and authorized LEAs to transfer funds from state restricted programs in response to changing student needs. The rule directed the Board to make rules to implement this provision. Staff recommends adding these guidelines in Rule R277-113.

Staff presented R277-113, Draft 2, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: Art X, Sec 3; 53E-3-401(4); 53E-3-501(1)(e)

**Committee Action:** Member Davis moved that the Committee approve R277-113, LEA Fiscal and Auditing Policies, Draft 2, as amended, on first reading and forward to the Board for approval on second and final reading.

**The motion passed unanimously.**

**Committee Action:** Member Moss moved that the committee amend Draft 2, to strike lines 461 - 463 and amend line 464 to add, “including requirements related to program-specific effort, matching, and equity.”

The motion passed unanimously.

**MOTION FOR THE BOARD:** The committee recommends that the Board approves R277-113, LEA Fiscal and Auditing Policies, Draft 3, on second and final reading.

#### 5.4 Recognition of Progress, Achievements, or Improvements

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

Beaver County School District received the GFOA Certificate of Achievement for Excellence in Financial Reporting for going beyond the minimum requirements of generally accepted accounting principles to prepare their annual comprehensive financial report. This Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

Every school district and charter school prepares annual financial statements, but not all receive this award or take the time to apply. There are still awards that have not been issued, and the Utah State Board of Education (USBE) will recognize all districts or charters once the list is finalized from the various associations.

##### 5.4.1 Program Monthly Report (PMR) on the 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.

**Info Request:** Member Davis requested this Utah Grants PMR be added to an upcoming Reports and Requirements Task Force agenda.

#### 5.4.2 Program Monthly Report (PMR) on the Utah Schools Information Management System (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. Members were directed to review the PMR. No detailed presentation was given.

#### 5.5 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 Finance Committee members.

Staff reviewed with the Committee the following information requests from the August Finance Committee:

- Clarification on the presentation under the Student Achievement backpack, which was covered in the September 7, Board meeting.
- Details of the workload increase related to misinformation with the Utah Fits All Scholarship and how the USBE is addressing it.

**Info Request:** Member Boggess asked for an update on the BYU data research project, which was funded by the Board to ensure that the companies providing applications for use by student, schools, or teachers are following laws as it relates to privacy.

#### 5.6 2023 State Basic Rate

Each year in June, the Utah State Tax Commission sets the “basic rate”. This year’s rate is .001406. Each school district is required by statute to pay a portion of the cost of providing a basic education for their students. The Basic Property Tax Levy is the source of this local contribution. The revenue generated by the levy in each school district is applied to the total cost of district WPU. Any cost not covered by this property tax revenue is paid by the state.

This is the primary mechanism used in the state to equalize per-student revenues among school districts. Charter schools cannot levy property taxes. As a result, the full cost of WPU in charter schools is paid by the state.

Staff provided an overview of the basic rate and its implications on the basic school program.

## 5.7 State Fiscal Year 2023 Carry Forward Balance Status and Approval for Use

Following fiscal year end close activities there are balances remaining of unencumbered funds from the prior year. Amounts more than \$100,000 are presented to the USBE Finance Committee along with supporting spending plans.

Staff explained these funds are programmatic unrestricted state carry forward funds. If the Board approves them, the funds stay within the program(s) and/or section(s). The discretionary fund account is separate and is specific to the Board.

The USBE closed out the year with approximately \$460 million in non-lapsing balances. Most of that balance is restricted and tied to Minimum School Program (MSP) related programs. The remaining amount is approximately \$82 million. USBE staff then account for funds encumbered by grants or the procurement process, leaving approximately \$51 million in unrestricted funds. The plans represent approximately \$43 million in requested spending, and staff identified approximately \$8 million that could be reallocated. Reallocation could take Board and/or legislative action depending on what the funding is suggested to be used for.

The Committee reviewed individual spend plans and Members had an opportunity to ask questions. Staff noted the State Charter School Board (SCSB) spend plan will be finalized in their upcoming Board meeting, and once approved, it will come back to the USBE with the full plan.

**Committee Action:** Member Davis moved that the Committee recommend that the Board approve the remaining spend plans for the unencumbered state fiscal year 2023 carry forward balances.

*The motion passed unanimously.* – Chair Moss absent

**Committee Action:** Member Boggess moved that the Committee divide out the Student Services Spend plan.

*The motion passed unanimously.* – Chair Moss absent

Member Boggess asked if postponing the approval of the Student Support Services plan would create issues for the section with timing. Staff suggested pulling the specific concerns of the plan and allowing the remaining parts to move forward.

**Committee Action:** Member Boggess moved that the Committee approves the Student Support Services spend plan less family home visit training, bullying prevention, and

kindness walls and return family home visit training, bullying prevention, and kindness walls back to the Committee pending further information.

Member Boggess spoke to the motion requesting further clarification on:

- Greater clarity on home visits and what we are training people to do.
- What is the purpose of and what is the ROI of kindness walls.
- Is there a better way to executive bullying prevention.

**Motion:** Fails 3:1 with Member Boggess in favor and Members Norton, Davis, and Strate opposed. – Chair Moss absent

**Committee Action:** Member Norton moved that the Committee approve the Student Support Services spend plan and forward to the Board for approval.

**The motion passed unanimously.** – Chair Moss absent

**MOTION FOR THE BOARD:** The Committee recommends that the Board approves the spend plans for the unencumbered state fiscal year 2023 carry forward balances.

## 5.8 State Fiscal Year 2023 Discretionary Carry Forward Balance Status and Approval for Use

Following fiscal year end close activities there are balances that are provided to the Board in their discretionary funds account. Each September the Finance Committee reviews the balances and previous projects and makes recommendations to the Board on whether to continue projects and/or repurpose funding of those projects and to make recommendations on the use of the balances that resulted from the year end close activities.

**Committee Action:** Member Davis moved that the Committee recommend that the Board approve continuing:

- A contingency fund of \$200,000,
- A legal contingency fund of \$250,000,
- The internal controls fund of \$10,000,
- \$200,000 for training for General Education and Special Education,
- \$50,000 for over the phone and website translation services from the discretionary account, and
- Returning \$200,000 for the research study of Standards and Curriculum Alignment and research study of Student Safety and Environment to the discretionary fund balances.

**The motion passed unanimously.** – Chair Moss absent

**Committee Action:** Member Davis moved that the Committee recommend that the Board approve using \$260,000 of state funds and \$20,000 in tax delay funds from the discretionary funds for:

- \$130,000 for security guard services at the USBE office,
- \$75,000 for two part-time staff to assist in the mail room and with facility-related needs, and
- \$75,000 to upgrade obsolete parking gate equipment.

The motion passed unanimously. – Chair Moss absent

**MOTION FOR THE BOARD:** The Committee recommends that the Board approves continuing:

- A contingency fund of \$200,000,
- A legal contingency fund of \$250,000,
- The internal controls fund of \$10,000,
- \$200,000 for training for General Education and Special Education,
- \$50,000 for over the phone and website translation services from the discretionary account, and
- Returning \$200,000 for the research study of Standards and Curriculum Alignment and research study of Student Safety and Environment to the discretionary fund balances.

**MOTION FOR THE BOARD:** the Committee recommends that the Board approve using \$260,000 of state funds and \$20,000 in tax delay funds from the discretionary funds for:

- \$130,000 for security guard services at the USBE office,
- \$75,000 for two part-time staff to assist in the mail room and with facility-related needs, and
- \$75,000 to upgrade obsolete parking gate equipment.

## 5.9 Quarterly Report from the School Children's Trust – Annual Compliance Report

The Communications Process from the School Children's Trust Section to the Finance Committee and the full Board was recommended by the Finance Committee in June and forwarded to the full Board. This is the first of the quarterly reports from the School Children's Trust Section to the Finance Committee.

The report focused on the compliance review process conducted by the School Children's Trust Section of the School LAND Trust Program and school councils in

FY2023. The report includes the findings, and how the Section plans to improve processes towards improved compliance.

#### 5.10 Special Education Program Code for Expenditures from Unrestricted Funds

This item was tabled until next month.

The meeting adjourned at 12:15 p.m.