



# Utah State Board of Education

## Internal Audit Department

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### Weilenmann School of Discovery Investigation

25-03

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**Report No. 25-03**

# **Weilenmann School of Discovery Investigation**

**May 15, 2025**

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**Audit Performed by:**

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## General Information and Disclosures

### *Authority and Direction*

In accordance with Board Rule R277-114, the Utah State Board of Education (Board):

- authorizes the Board's Audit Committee to determine an appropriate method to investigate alleged compliance issues regarding a program or set of requirements that are uncategorized, or in framework category one or two as outlined in R277-111, and
- may request the Board's internal audit function to investigate the alleged issue in accordance with Board Rule R277-116.

### *Laws and Standards*

Internal audits are conducted in conformance with the current Global Internal Audit Standards (Standards), consistent with Utah Code Annotated (UCA) and Utah Administrative Code (UAC or Board Rule). Laws and regulations of particular note specific to audit processes include:

- UCA 63I-5 *Utah Internal Audit Act*
- Board Rule R277-116 *Audit Procedure*

### *Records Classification and Distribution*

The Board is a governmental entity and thus is subject to Utah Code 63G-2 *Government Records Access Management Act* (GRAMA). Pursuant to GRAMA, audit records that are in-process are protected records; however, once complete, audit records are generally public; thus, distribution is not limited.

## **Table of Contents**

I.	Background.....	1
II.	Scope and Objective .....	1
III.	Methodology .....	1
IV.	Conclusions.....	2
	A.    R277-107 Educational Services Outside of an Educator's Regular Employment .....	2
	B.    R277-629 Paid Professional Hours for Educators .....	5
V.	Appendix A – Management Response .....	9

## I. Background

In October 2024, the Public Education Hotline received allegations of noncompliance and misuse of funds against Weilenmann School of Discovery (Weilenmann). In January 2025, the complaint was referred to leadership of the Utah State Board of Education (Board) for consideration. Shortly thereafter, Board leadership referred the complaint to the Audit Committee for discussion.

Board Rule R277-114-3(c)(i) states:

*"For an alleged compliance issue regarding a program or set of requirements uncategorized or in framework category one or two, the Board's audit committee may determine an appropriate method to investigate the alleged compliance issue, including requesting the Board's internal audit function to investigate the alleged issue in accordance with Rule R277-116."*

In January 2025, pursuant to the aforementioned Board Rule, the Audit Committee directed the Internal Audit Department (IAD) to investigate. In accordance with Board Rule R277-114, and in consultation with Assistant Attorney General Michelle Beus, IAD analyzed the allegations to identify proper jurisdiction and authority. In late February 2025, IAD reported to the Audit Committee the potential scope of the investigation, as well as referrals of other items to authorities with jurisdiction of those items. By March 2025, IAD made the recommended referrals and began the investigation into the allegations against Weilenmann.

## II. Scope and Objective

Based on the requirements set forth in Board Rule R277-114, and in consideration of the allegations made within the complaint, IAD identified two areas for investigation that met the Oversight Framework criteria for investigation in Board Rule R277-111. The two areas included within this investigation are alleged non-compliance with:

- Board Rule R277-107 Educational Services Outside of an Educator's Regular Employment, and
- Board Rule R277-629 Paid Professional Hours for Educators.

To achieve the purpose of the investigation state fiscal years (SFY) 2023 through 2025 were included within the review.

## III. Methodology

Pursuant to Board Rule R277-114, on April 7, 2025, IAD sent an engagement letter to Weilenmann as a notification of IAD's intent to conduct an investigation in accordance with audit procedures outlined in Board Rule R277-116. On April 22, 2025, IAD met with administration and legal counsel for Weilenmann. Several methodologies were employed to arrive at the conclusions identified within this report, specifically: interviews with the Interim Executive Director and current middle school principal, as well as the Board Chair, and a review of documentation retained by the Utah State Board of Education (USBE) and Weilenmann.

## IV. Conclusions

Compliance findings are presented in the two sections listed below.

### **A. R277-107 Educational Services Outside of an Educator's Regular Employment**

### **B. R277-629 Paid Professional Hours for Educators.**

The compliance findings are presented using the following five elements:

1. Criteria: What should happen (e.g., state law)?
2. Condition: What is happening?
3. Cause: Why did the Condition happen?
4. Effect: What is the impact of the Condition and why you should care?
5. Recommendation: What actions may address the Condition and Cause?

Although recommendations (i.e., suggestions) are provided, it is the responsibility of the Board to determine what, if any, action should be taken based on the results of the investigation and pursuant to Board Rule R277-114-3(3)(d).

### **A. R277-107 Educational Services Outside of an Educator's Regular Employment**

#### **Criteria:**

[Board Rule R277-107](#), in its entirety applies; however, some highly relevant excerpts have been provided.

Board Rule R277-107-3 LEA [Local Education Agency] Relationship to Activities Involving Educators (*effective March 14, 2023*)

- (3) An employee that participates in a private, but public education-related activity, is subject to the following requirements:
  - (a) An employee's participation in the activity shall be separate and distinguishable from the employee's public employment;
  - (b) An employee may not, in promoting private, but public education-related activity:
    - (a)\* contact students at a public school, except as permitted by this rule; or
    - (b)\*use education records, resources, or information obtained through the employee's public employment unless the records, resources, or information are readily available to the general public.

\*USBE Policy team has been notified regarding the lettering duplication in the Board Rule.

Board Rule R277-107-6 Public Education Employee/Sponsor Agreements or Contracts (*effective March 14, 2023*)

- (1) An agreement between an employee and a sponsor of a private, but public education-related activity shall be signed by the employee and include the following acknowledgments:
  - (a) the parties understand that the activity is not sponsored by an LEA;

- (b) the employee's responsibilities to the activity sponsor are outside the scope of and unrelated to any public duties or responsibilities the employee may have as a public education employee; and
- (c) the employee agrees to comply with laws and rules of the state and policies regarding advertising and employee participation.

- (2) An employee shall provide the LEA business administrator, superintendent, or charter school director with a signed copy of all contracts between the employee and a sponsor of a private, but public-education related activity.
- (3) An LEA shall maintain a copy of a contract described in Subsection (2) in the employee's personnel file.

**Condition:**

Weilenmann employees are providing educational services (e.g., private, but public education-related activity [tutoring]) outside of their regular employment to public education students of the LEA within the LEA's facility. In discussing the practices with Weilenmann, the following observations were disclosed by Weilenmann administration:

1. At least two current employees are providing tutoring services for a fee to public education students who attend Weilenmann.
2. In both instances, the employees are not officially sponsored or paid by another entity to provide the service; instead, it is a service offered directly to students of Weilenmann by the employees of Weilenmann.
3. Weilenmann does not consider the tutoring services an LEA sponsored event; however, no formal steps have been taken to ensure that the employees' participation in the tutoring services is separate and distinguishable from the employee's public employment, and employees are currently allowed to use the Weilenmann facility for their private tutoring services free of charge (i.e., no facility rental fee), which may be perceived as a form of sponsorship or a school fee.
4. Weilenmann is not a sponsor of paid tutoring services and does not have agreements with LEA employees to provide paid tutoring services.
5. For employees providing services for fees within Weilenmann's facility, for which no facility rental fee is charged, Weilenmann has not ensured that:
  - a. parties understand that the activity is not sponsored by the LEA,
  - b. the employees' private activities are outside of their public education responsibilities, and
  - c. the employees agree to comply with the requirements in Board Rule R277-107.
6. Weilenmann uses an application called Parent Square to communicate with parents and students. According to Weilenmann, the application is only used to communicate LEA specific events and announcements and is not used to advertise or promote private activities either for the public in general or private activities provided by employees.
7. In the past when parents called Weilenmann to inquire about tutoring services, Weilenmann employees directed parents to the LEA employees offering services for a fee.
8. Although Board Rule R277-107 has been a rule for many years, Weilenmann created its first policy and procedure related to the Rule in September of 2024.

**Cause:**

Several potential causes exist, including:

- A lack of awareness by the current administration of requirements found in Board Rule R277-107, which resulted in a limited risk assessment and a reported relaxation of previous control activities (i.e., facility use policies prior to the COVID pandemic) to ensure compliance with the requirements found within the Rule.
- Many Weilenmann employees have worked together for a long time (i.e., 12+ years), likely increasing their comfort in referring students who have sought help to each other.
- It is easier and more practical for students who travel to campus to stay on campus for additional tutoring, rather than traveling to a new location.
- Employees' desire to use their expertise and training to help students while increasing their earning capacity.

**Effect:**

There is a high risk that:

- private, but public education-related activities are indistinguishable from the employee's public employment,
- education records, resources, or other information obtained through the employee's public employment is, and can be, used to both promote and provide private activities (i.e., taxpayer funded resources are being used to subsidize private employment), and
- parents may not have clearly understood what agreements they entered into, including which parties (e.g., Weilenmann) were involved, and what options were available to them.

**Recommendations:**Weilenmann

Weilenmann should ensure employees are aware of the requirements found in Board Rule R277-107, including, as necessary, redesigning existing policies related to the Board Rule. Specifically, Weilenmann should explicitly outline how to distinguish public education activities from private activities and private, but public education-related activities.

Additionally, Weilenmann should consider what, if any, changes to current arrangements related to employees providing private or private, but public education-related activities need to take place, including:

- signing agreements with, and possibly charging a facility rental fee to, employees using LEA facilities,
- ensuring all parties involved, including parents and students, understand whether Weilenmann is actually sponsoring the activity, and
- ensuring private activities provided by employees are outside the scope of their public responsibilities.

Since IAD's meeting with Weilenmann on April 22, 2025, Weilenmann has begun updating corresponding policies and related forms (i.e., *Facility Rental Fee Schedule*, *Facility Use Policy*, *Contract of Private Use of the Facility*). Weilenmann provided draft examples; however, no effort has been made by IAD to review and evaluate the quality of the policies.

## USBE

The USBE should review Board Rule R277-107 to ensure the Board Rule is understood in consideration of other related laws (e.g., R277-407, UCA 53G-7) and to consider if additional requirements or tools should be included to ensure clarity. For example:

- How is sponsor defined and is it similar to the definition found in Board Rule R277-407?
- If there is no sponsor, should there still be an agreement between the LEA and the employee?

## **B. R277-629 Paid Professional Hours for Educators**

### **Criteria:**

Board Rule R277-629-3 Distribution of Funds (*effective August 7, 2024*)

- (3) An LEA shall establish a policy outlining how the LEA will distribute program funds.
- (4)(a) An LEA may only use program funds for costs outlined in Section 53F-7-203.
- (5)
  - (b) The Superintendent may:
    - (i) offset unused program funds against future allocations to the LEA; or
    - (ii) require the LEA to return unused program funds by September 30 of the next school year.

Board Rule R277-629-3 Distribution of Funds (*effective November 7, 2023, superseded August 7, 2024*)

- (3)(a) An LEA may only use program funds for educator salary and benefits.

Utah Code Ann. 53F-7-203 Paid professional hours for educators. (*effective July 1, 2024*)

- (4) An LEA shall use funding under this section to provide paid professional hours that:
  - (a) provide educators with the knowledge and skills necessary to enable students to succeed in a well-rounded education and to meet the challenging state academic standards
- (5) (a) An educator shall:
  - (i) on or before September 30, create a plan, in consultation with the educator's principal, on how the educator plans to use paid professional hours provided under this section; and
  - (ii) before the end of a given fiscal year, provide a written statement to the educator's principal of how the educator used paid professional hours provided under this section.

Utah Code Ann. 53F-7-203 Paid professional hours for educators. (*effective May 3, 2023; superseded May 1, 2024*)

- (4) (a) An educator shall:
  - (i) on or before the fifth day of instruction in a given school year, create a plan, in consultation with the educator's principal, on how the educator

plans to use paid professional hours provided under this section during the school year; and

(ii) before the end of a given school year, provide a written statement to the educator's principal of how the educator used paid professional hours provided under this section during the school year.

Utah Code Ann. 53F-7-203 Paid professional hours for educators. (*effective July 1, 2022; superseded May 3, 2023*)

(4) An educator shall:

(a) before the first day of instruction in a given school year, create a plan, in consultation with the educator's principal, on how the educator plans to use paid professional hours provided under this section during the school year; and

(b) before the end of a given school year, provide a written statement to the educator's principal of how the educator used paid professional hours provided under this section during the school year.

**Condition:**

Utah Code 53F-7-203 and Board Rule R277-629 outline the distribution and use of restricted funds for paid professional hours for educators (PPH funds). Weilenmann has received the restricted PPH funds, totaling \$197,197.40, since the program's creation in SFY2023.

Allocations by SFY are outlined in the table below.

<b>SFY</b>	<b>PPH Revenue</b>	<b>PPH Expenditures</b>
2023	\$71,778.90	\$71,778.90
2024	\$64,975.40	\$64,975.40
2025	\$60,443.14	\$0.00
<b>Total</b>	<b>\$197,197.40</b>	<b>\$136,754.30</b>

SFY2023 and SFY2024

Weilenmann reported providing PPH funds to educators SFY2023 and SFY2024, for the purpose of providing four days of preparation or professional development.

- SFY2023: 35 educators were each given \$2,050.82
- SFY2024: 34 educators were each given \$1,911.04

Although the PPH funds were distributed to educators for professional development, Weilenmann did not require educators who received the funds to create a plan, in consultation with the educator's principal, on how the educator planned to use the funds. Likewise, at the end of the school year, educators did not provide a written statement on how the educator used the restricted PPH funds. Both the plan and a year-end written statement have been continuous requirements in each iteration of Utah Code since the program's creation.

SFY2025

In SFY2025, two notable changes occurred within Utah Code and Board Rule.

First, Board Rule required LEAs to “establish a policy outlining how the LEA will distribute program funds” (see Board Rule R277-629-3(3)). Although Weilenmann has not paid out PPH funds for SFY2025 as of April 23, 2025, Weilenmann does not have a policy in place that outlines how to distribute the PPH funds as required by Board Rule.

Second, Utah Code clarified that “paid professional hours” means hours outside of an educator’s contracted hours” (see Utah Code 53F-7-203(1)(a)). Given Weilenmann does not have a policy, how PPH funds will be limited to hours outside of an educator’s contracted hours is not formalized and therefore questioned. Weilenmann stated that it estimates that each educator’s goal(s) would take 32 or more hours of work outside of school based on principals’ recommendations for educators to regularly engage in professional development outside of school for two to three hours each week during the school year.

Finally, similar to iterations of the law in previous years, in SFY2025, educators are required to “create a plan, in consultation with their principal” (see Utah Code 53F-7-203(5)(a)). Weilenmann provided documentation of educator goals for SY2025 but noted the creation of these goals was not intended to meet the requirements of Utah Code 53F-7-203. Rather, Weilenmann provided educators with a framework for the goals and resources on good goal writing as a best practice; submission of goals was not required.

Weilenmann reported collecting these educator goals between late August and early September of 2024, though the timeline could not be verified. It is also unclear if use of an LEA framework for goals meets the intent of the statute for an educator—not the LEA—to create a paid professional hours’ plan, in consultation with their principal. Furthermore, many of the goals provided do not directly include specific paid professional hours’ requirements (e.g., professional learning, registration fees, required materials). For example, one educator reported the following goals:

- Personal Instructional Goal: “My goal this year is to teach [student’s name], my non english speaking student, how to read. I will take the assessment information from [teacher’s name] and use it as a starting point for determining where to begin. I will utilize my para time and supplemental material from Lexia, as well as other material from teachers that teach K-1.”
- Professional Goal: “My goal this year is to foster a positive classroom everyday. I will utilize different strategies and interventions based on need. I will involve parents early in the year, if necessary.”
- Data Goal: “In order to support students making a 3% gain in the area of reading, I will use various strategies and materials to reach individual’s needs. I will work with students in a whole group, small group and individually, and I will have students reading more in all academic areas.”

Paid professional hours’ needs are not specifically mentioned in the goals, nor is the intent to obtain the paid professional hours after contract hours explicit. Thus, the non-required best practice goal development initiative, not created to comply with statute, is a questionable alternative.

Weilenmann stated that it intends on having employees provide a year-end written statement on their goals prior to distributing PPH funds and has created a shared document to record how the PPH funds were used to provide professional development to educators.

In summary, IAD identified total questioned costs of \$136,754.30 for SFY2023 & SFY2024. PPH funds distributed to Weilenmann for SFY2025 totaling \$60,443.14 have not been spent and therefore are not currently questioned. However, given the lack of formalized policy, limited internal controls, and lack of specificity in goal plans related to paid professional hours, whether distribution of SFY2025 PPH funds for allowable activities and costs is questioned.

**Cause:**

Based on interviews conducted and documentation provided, it appears Weilenmann was not aware of the requirements in Board Rule and Utah Code related to the restricted PPH funds. The USBE provided training on how the PPH funds could be used, including that educators make their “plan with their principal” and the plan “cannot be LEA mandated;” however, it is unclear who, if anyone, represented Weilenmann at the USBE training.

**Effect:**

Potential effects could include:

- abuse of restricted taxpayer funds, potentially resulting in a requirement to repay funds, which will require additional administrative resources at both Weilenmann and USBE, and
- educators may also miss out on state funded opportunities to increase “knowledge and skills necessary to enable students to succeed.”

**Recommendations:**

Weilenmann

Weilenmann should create a policy outlining how it will distribute PPH funds in the future. Weilenmann should also develop policies and procedures to ensure it is aware of changing statutory and regulatory requirements, specifically those tied to restricted funds. Since IAD's onsite visit on April 22, 2025, Weilenmann has provided a sample paid professional hours plan form for use in SFY2026 and a draft policy related to PPH funds, which may be expanded to outline how to distribute the funds in an effort to demonstrate a commitment to compliance.

USBE

In accordance with Board Rules R277-114-3(3)(d) and R277-114-5(3)-(12), IAD recommends the Board direct the Superintendent to pursue corrective action inclusive of:

1. determining whether Weilenmann should repay the questioned costs totaling \$136,754.30 for SFY2023 & SFY2024, and
2. specific to SFY2025, ensuring PPH funds are used for allowable activities and costs—if that is still an option given the current circumstances—or if PPH funds for SFY2025 are not used, using the SFY2025 PPH funds to:
  - offset the questioned costs in prior years, or
  - offset future allocations of PPH funds as outlined in R277-629.

**V. Appendix A – Management Response**

Dear Members of the Audit Committee,

Thank you for taking the time to consider Weilenmann School and our current situation. We appreciate your time and your guidance. We also appreciate the efforts of Kevin John and Mike Kersey in working with us to identify areas of improvement. Our current administration began in November 2024, and we are committed to bringing Weilenmann School into full compliance.

### **After School Policy**

Weilenmann had a Facilities Use Policy and Fee Schedule in place prior to COVID-19. During the COVID-19 shutdown and the subsequent reopening of the building to after school activities, the policy was not implemented as it had been prior to COVID-19. This occurred under a previous Executive Director. Since meeting with Kevin and Mike, we located and updated the Facilities Use Policy and created other agreements to support our compliance with current policy. We now have the following in place:

- **Facilities Use Policy (updated / pending WSD Board approval on May 27, 2025)**
- **Contract of Private Use of the Facility**
- **Fee Schedule**
- **Parent Acknowledgement of Services (in process)**

Currently, approximately four staff members use the building to offer non-school related services, which are being provided for approximately 10 children. Though there is some variance depending on certification level and experience, the average cost for tutoring is between \$50-\$75/hr.

We are in the process of collecting the necessary paperwork and usage fees for compliance with state law. Moving forward, all who use the building for non-school related activities will be required to complete the above forms and pay the required usage fees. We will hold these documents on file until the services or activities end. Our updated Facilities Use Policy will be presented to our board for approval on May 27, 2025.

### **Professional Development Funds**

Once again, we appreciate the work of Kevin and Mike in helping us navigate our understanding of the Professional Development Funds. Since FY23, there seems to have been some confusion surrounding how the PPH funds were to be dispersed and how qualified employees earned the stipend. In FY23 and FY24, all available funds were directed to eligible employees. However, the procedure by which the funds were dispersed is unclear. As this occurred under a previous Executive Director, the documentation is unavailable.

# WEILENMANN SCHOOL OF DISCOVERY

For FY25, the PPH funds have not been dispersed. Our faculty and staff made yearlong, professional development goals. MS and LS principals met with teachers individually to modify and approve goals as appropriate. The intent was that those who qualified would work toward achieving their goals outside of normal school hours. Faculty and staff will report on their goals by the end of the year. We hope that those who successfully complete these requirements will be eligible for the PPH stipend. Though this was not strictly the correct process, it does seem to be in the spirit for which the PPH funds were intended.

Since our onsite visit, we have developed the following documents for compliance:

- **Paid Professional Hours for Educators Policy (pending board approval on May 27, 2025)**
- **Educator-Directed Paid Professional Hours Proposal and Log**

For FY26, we will be in full compliance for the PPH funds. As stated above, the goal of the new administration is to ensure that Weilenmann School is following all state law and policy. During this process, we made every effort to initiate immediate changes, once we became aware of any non-compliance, as a demonstration of our commitment.

As these funds were distributed to Weilenmann's eligible employees in the previous years, we ask that the committee not seek repayment. Similarly, because our documentation for FY25 is in the spirit of what is required for compliance, we ask that Weilenmann be able to disperse the FY25 funds to current eligible employees. This, of course, is with the understanding that moving forward Weilenmann School will be in full compliance for the PPH funds.

Thank you for your guidance and consideration.

Sincerely,

*Scott Stewart*

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Scott Stewart, Executive Director

*Mark Maziarz*

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Mark Maziarz, WSD Board Chair