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## MEMORANDUM

**TO:** Members, Utah State Board of Education

**FROM:** Brad C. Smith  
Chief Executive Officer

**DATE:** August 6-7, 2015

**ACTION:** Proposed Budget Reporting Schedule

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**Background:** USOE will follow a predetermined schedule where USOE sections are scheduled to provide budget updates to the Utah State Board of Education Finance Committee.

**Key Points:** Section directors are responsible for providing the update to the Finance Committee. Internal Finance or Accounting staff that directly support the section are required to attend as well.

Section directors will provide written answers to the following questions as part of their presentation to the Finance Committee:

1. What programs in your section are mandated by federal code (laws and regs) and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
2. What programs in your section are mandated by state statute and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
3. What are the programs in your section mandated by State Board rule and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
4. What programs in your section are done at the discretion of the section or the USOE superintendents and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
5. Without respect to whether a program is mandated or not, what items would you cut first if faced with a budget shortfall?
6. What is your "wish list" of things you wish your section could do? (And would you cut things in #5 to be able to do particular things on your wish list?)

The update or report to the Finance Committee from the section director will include the latest Status of Funds (SOF) report in the prescribed format.

**Anticipated Action:** Approval of the attached Budget Reporting Schedule for SFY 16.

**Contact:** Scott Jones, Associate Superintendent, 801-538-7514

**TO:** Utah State Board of Education

**FROM:** Scott Jones, Associate Superintendent for Business and Operations, Utah State Office of Education

**THRU:** Brad C. Smith, Chief Executive Officer, Utah State Office of Education

**DATE:** August 7, 2015

**SUBJECT:** Proposed State Fiscal Year (SFY) 16 Budget Reporting Schedule by USOE Section, USOR and USDB, to the Utah State Board of Education (USBE) Finance Committee

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Effective SFY 16 (1 July 2015) USOE Section Directors, the USOR Finance Director, and the USDB Finance Director will provide budget updates (reports) to the USBE Finance Committee on a pre-determined and Board approved schedule. The entire Board will receive an overall USOE budget update as an on-going information agenda item throughout the SFY.

<u>Month</u>	<u>Divisions/Agencies</u>
August 2015	USOE, Child Nutrition Program
September 2015	USBE Internal Audit, USOE Information Technology, USOE School Law, USOE Educational Contracts, USOE ESEA and Special Programs
October 2015	USOR and USDB Quarterly Reports (July-September), USOE Administration (including Discretionary Funds), USOE Instructional Services Teaching and Learning, USOE Special Education
November 2015	Board of Education, USOE Fine Arts POPS, Charter School Board, Assessment and Accountability, USOE Minimum School Program
December 2015	USOE Internal Accounting, USOE School Finance, USOE District Computer Services, USOE Public Policy-Superintendent
January 2016	USDB and USOR Quarterly Reports (October-December), USOE Science, USOE Licensing and UPPAC Fees, USOE Charter School Finance Authority
February 2016	USOE Career and Technology Education, USOE School Finance, Board of Education, School Trust Lands
March 2016	USOE Child Nutrition Program, USOE Grants and Contracts, USOE Educational Equity, USOE ESEA and Special Program

April 2016	Board of Education, USOE Administration (including Discretionary Funds), USDB and USOR Quarterly Reports (January-March), USOE Special Education
May 2016	USOE Minimum School Program, USOE School Finance, USOE District Computer Services, USOE Career and Technology Education, USOE Internal Accounting, USOE Information Technology
June 2016	USBE Internal Auditors, USOE Student Services, USOE Instructional Services Teaching and Learning, USOE Career and Technology Education, School Trust Lands, USOE ESEA and Special Programs

USOE Section Directors and/or USOR/USDB Finance Directors will provide written answers to the following questions as part of their presentation to the Finance Committee:

1. What programs in your section/agency are mandated by federal code (laws and regs) and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
2. What programs in your section/agency are mandated by state statute and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
3. What are the programs in your section/agency are mandated by state board rule and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
4. What programs in your section/agency are done at the discretion of the section or the Superintendents/Executive Directors and for each program, how is it funded (federal, state, local, indirect or combined funding) and at what level is it funded (unfunded, partially funded, fully funded)?
5. Without respect to whether a program is mandated or not, what items would you cut first if faced with a budget shortfall?
6. What is your "wish list" of things you wish your section could do? (And would you cut things in #5 to be able to do particular things on your wish list?)

The update or report to the Finance Committee from the USOE Section Director/Finance Director is developed from the BASE system. USOE Section Directors and USOR and USDB Finance Directors are to coordinate with the USOE Internal Accounting Finance Director for budget report format and consistency in reporting prior to your scheduled update. The report

may or may not be inclusive of the prior month depending on when the systems runs/updates take place, the documents are required as, "backups," and when the Finance Committee actually convenes. Therefore, it is essential that USOE Section Directors establish an, "as of date," with USOE Internal Accounting so that all expenditures/encumbrances and budget category amounts reported are consistent. The USOR and USDB Finance Directors provide quarterly budget updates so the as of date is always the last day of the month ending the quarter.

USOE Section Directors and USOR and USDB Finance Directors will present what makes up the numbers in the respective budget categories. For example, the report will show how much is budgeted for salaries and benefits but it will not currently show what the amounts are made up of (i.e. state funds, federal funds, or a combination). Section Directors and Finance Directors are to make sure that the report from Internal Accounting, prior to the update to the Finance Committee, is developed and reviewed with Internal Accounting so as to effectively articulate to the Finance Committee members (again, going with the example of the budget categories Salaries and Benefits) what funds make up the budgeted amounts and who exactly by name and position the money is funding (FTE counts). Section Directors and Finance Directors apply the same approach to the other categories as well. As an additional example, whatever amount is budgeted for in the Purchased Services category Directors must demonstrate what exactly that money is going to pay for. For instance, the specific contracts or services that make up that budgeted amount.

Directors will clearly demonstrate any movement of funds between budget categories from the first report that was used and approved by the Board for the SFY 16 Budget. For example, if the budget the approved showed a budget of \$500,000.00 (as an example) in the Salaries category and now shows \$750,000 USOE Section Directors/USOR and USDB Finance Directors will present why the change occurred from the original base approved budget to the new amount.

All Directors are subject to receiving additional Requests for Information (RFIs) by Finance Committee members throughout the reporting period (SFY).

Please direct questions to Associate Superintendent Scott Jones at 801-538-7415 or [scott.jones@schools.utah.gov](mailto:scott.jones@schools.utah.gov)