

**MEMORANDUM**

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

**FROM:** Scott Jones, Associate Superintendent  
Business and Operations

**DATE:** October 8-9, 2015

**INFORMATION:** SFY16 Budget Reporting

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**Background:**

In August 2015, the Finance Committee approved a budget reporting schedule for State Fiscal Year (SFY) 16 for directors of USOE, USOR, and USDB to provide budget updates to the Finance Committee.

**Key Points:**

The Finance Committee will have the opportunity to discuss information provided by USOR and USDB (quarterly reports July-September), USOE Administration (including Discretionary Funds), USOE Teaching and Learning Section, and USOE Special Education Section.

**Anticipated Action:**

The Committee will receive budget reports from the various sections.

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

**Committee Questions:**

**1. What programs in your section/agency are mandated by federal code (laws and regulations) 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)?**

- Individuals with Disabilities Education Improvement Act of 2004 (20 USC 1400) and IDEA Regulations (34 CFR Parts 300 and 301)
  - USOE Operations
    - Federal – Full Funding
    - State – No Funding
  - LEA Operations
    - Federal – Partial Funding
    - State – Partial Funding
    - Local – Partial Funding

Other applicable unfunded federal requirements:

- OMB Uniform Administrative Requirements (2 CFR Parts 200, 215, 220, 225, and 230)
- Family Educational Rights and Privacy (34 CFR Part 99)
- Americans with Disabilities Act of 1990 (42 USC 126 and 47 USC 5)
- ADA Title II Regulations (28 CFR Part 35)
- Education Department General Administrative Requirements (34 CFR)

**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)?**

- 53A-15-301 through 53A-15-305 (Education of Children with Disabilities)
  - USOE Operations
    - Federal – Full Funding
    - State – No Funding
  - LEA Operations
    - Federal – Partial Funding
    - State – Partial Funding
    - Local – Partial Funding
- 53A-15-1005 (Electronic High School Services to Students with Disabilities)
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- 53A-24-114 (Governor's Committee on Employment of People with Disabilities)
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- 53A-25a-101 through 53A-25a-106 (USDB/Blind Persons' Literacy)
  - USOE Operations

- Federal – No Funding
  - State – Partial Funding
- 53A-25b-101 through 53A-25b-501 (USDB)
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- 53A-26a-101 through 53A-26a-503 (Interpreter Services)
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- 53A-17a-111 through 53A-17a-112 (Students with Disabilities State Funding)
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
  - LEA Operations
    - Federal – No Funding
    - State – Partial Funding
      - Add-On
      - Self-Contained
      - Extended School Year
      - Preschool
      - State Programs / Intensive Services Fund
    - Local – Partial Funding
- 53A-17a-158 (Stipends for Special Educators for additional days of work)
  - USOE Operations
    - Federal – No Funding
    - State – Partial Funding
  - LEA Operations
    - Federal – No Funding
    - State – Partial Funding
    - Local – No Funding
- 53A-1a-701 through 710 (Carson Smith Special Needs Scholarship)
  - USOE Operations
    - Federal – No Funding
    - State – Full Funding
  - LEA Operations
    - Federal – No Funding
    - State – No Funding
    - Local – No Funding
- 53A-6-802 (Paraeducator to Teacher Scholarship Program (PETTS))
  - USOE Operations
    - Federal – No Funding
    - State – No Funding

**3. What are the programs in our section/agency 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)?**

- Utah State Board of Education Special Education Rules
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- R277-750 Education Programs for Students with Disabilities
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- R277-602 Carson Smith Special Needs Scholarship
  - USOE Operations
    - Federal – No Funding
    - State – Full Funding
- R277-438 Dual Enrollment
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- R277-504 Licensure
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- R277-525 Special Educator Stipends
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- R277-526-1 Paraeducator to Teacher Scholarship Program (PETTS)
  - USOE Operations
    - Federal – No Funding
    - State – No Funding
- R277-751 Special Education Extended School Year
  - USOE Operations
    - Federal – No Funding
    - State – Partial Funding
- R277-800 Utah Schools for the Deaf and the Blind
  - USOE Operations
    - Federal – No Funding
    - State – No Funding

**4. What programs in your section/agency are 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)?**

None

**5. Without respect to whether a program is mandated or not, what items would you cut first if faced with a budget shortfall?**

A budget shortfall in Federal funds would result in elimination or reduction of statewide activities that support the implementation of IDEA. Examples of statewide activities that would be eliminated or reduced include: Technical Assistance to LEAs, grants to Utah's colleges and universities provided to increase the number of qualified special education teachers, professional development activities for teachers and administrators, special education support publications, projects designed to meet the unique needs of students with specific types of disabilities, projects designed to improve academic outcomes for students with disabilities, and support to LEAs with critical needs. In addition to these changes in statewide activities, the amount of funding provided to each Utah LEA for services to students with disabilities would be reduced by the percent of the shortfall.

A budget shortfall in State funds would have a minimal impact to USOE operations, because limited State funds are used within the USOE-SES. The amount of administrative and monitoring oversight that is provided for the Extended Year for Special Educator stipend program and the Carson Smith Scholarship program would be reduced or eliminated.

**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?)**

1. Financial Manager – We propose to ensure that the USOE Special Education Section is ready to follow all the fiscal requirements of IDEA, the new requirements included in the federal Uniform Guidance, appropriately implement the USBE priorities identified in the USOE risk assessment, and appropriately distribute funds to Utah districts and charter schools.

2. Intensive Services Fund – We propose to support LEAs in meeting the obligation to provide special education and related services to all students with disabilities, including those with very expensive service requirements. This fund provides partial support to LEAs for services to an individual student costing more than three times the average per pupil expenditure (approximately \$20,000).

3. Add-On WPU Value – We propose a multi-year solution to eventually equalize the value of the WPU and provide LEAs with the resources necessary to meet their educational obligations to students with disabilities. As the value of the WPU is determined annually, the Special Education Add-On WPU would be raised by 0.25% more than the basic WPU. For example, if the WPU is increased by 4% the Special Education Add-On would be increased by 4.25%.

4. Carson Smith Scholarship Administration - Since the program inception, the USOE has provided administrative services with just over \$100,000 annually. Over the past several years, the number of schools and students has risen significantly and USOE has used up all available carry-forward funds. For FY2016, USOE is at risk of expending more funds than the allowed set-aside for administration. In order to support program implementation without continuous requests for additional administrative funding or staff, we propose to modify the set-aside from a set amount (\$103,800) to a percentage (4%) of the annual allocation.

This "wish list" represents needs within the section for State supported activities. As noted above, minimal funding is provided by the State in support of the USOE responsibility to provide oversight, general supervision, and technical assistance on the education of students with disabilities. These requests cannot be offset by reduction or elimination of Federal resources already designated for this purpose.