

USOE Main

Proposed FY 2015 Base Budget
 Agency = State Board of Education

Funding by Source of Finance

State Office of Education

	2009	2010	2011	2012	2013	2014 Est	2015 Base	Trend
General Fund	\$2,312,500	\$0	\$0	\$0	\$0	\$100,000	\$100,000	
General Fund, One-time	\$1,090,600	\$0	\$0	\$0	\$20,000	\$0	\$0	
Federal Funds	\$236,618,800	\$224,833,400	\$339,867,100	\$307,235,500	\$283,409,100	\$340,263,900	\$340,263,900	
American Recovery and Reinvestr	\$3,088,800	\$31,580,700	\$0	\$0	\$0	\$0	\$0	
Dedicated Credits Revenue	\$5,394,500	\$5,896,200	\$5,384,400	\$5,438,500	\$5,850,400	\$5,868,200	\$5,868,200	
Beginning Nonlapsing	\$14,804,300	\$14,243,600	\$12,360,800	\$10,635,800	\$10,508,100	\$17,934,400	\$17,934,400	
Closing Nonlapsing	(\$14,277,600)	(\$12,360,800)	(\$10,635,800)	(\$11,008,100)	(\$17,934,400)	(\$17,934,400)	(\$17,934,400)	
Lapsing Balance	(\$29,200)	\$0	(\$50,500)	(\$1,691,800)	(\$100,200)	\$0	\$0	
Uniform School Fund	\$27,022,600	\$21,089,300	\$0	\$0	\$0	\$0	\$0	
Uniform School Fund, One-time	\$3,537,700	(\$434,900)	\$0	\$0	\$0	\$0	\$0	
Education Fund	\$0	\$0	\$21,103,300	\$20,696,600	\$28,147,000	\$29,216,800	\$27,537,100	
Education Fund, One-time	\$0	\$0	\$7,700	\$818,200	\$1,000,000	\$1,620,000	\$123,000	
Federal Mineral Lease	\$3,735,900	\$2,804,000	\$3,034,800	\$3,358,600	\$2,945,800	\$3,095,800	\$3,095,800	
GFR - Land Exchange Distribution	\$302,400	\$292,700	\$302,400	\$302,400	\$222,500	\$236,600	\$236,600	
GFR - Substance Abuse Preventio	\$494,500	\$490,600	\$497,200	\$497,000	\$497,000	\$499,400	\$499,400	
Transfers	\$3,919,900	\$0	\$917,600	\$0	\$858,900	\$688,800	\$688,800	
Interest and Dividends Account	\$409,700	\$409,200	\$410,400	\$409,400	\$536,000	\$536,000	\$536,000	
Transfers - Interagency	\$0	\$1,454,800	\$0	\$1,110,900	\$0	\$0	\$0	
Grand Total	\$288,425,400	\$290,298,800	\$373,199,400	\$337,803,000	\$315,960,200	\$382,125,500	\$378,948,800	

Proposed FY 2015 Base Budget

Agency = State Board of Education

Expenditures by Object Category, All Sources of Finance

State Office of Education

	2009	2010	2011	2012	2013	2014 Est	2015 Base	Trend
Personnel Services	\$18,965,900	\$17,642,200	\$17,558,100	\$17,098,800	\$17,752,700	\$18,897,900	\$18,040,200	
In-state Travel	\$188,400	\$231,600	\$238,200	\$192,900	\$201,100	\$201,100	\$201,100	
Out-of-state Travel	\$210,700	\$198,900	\$249,400	\$269,900	\$270,500	\$270,500	\$270,600	
Current Expense	\$27,163,200	\$19,492,100	\$16,001,100	\$12,340,900	\$15,174,500	\$14,820,200	\$12,741,300	
DP Current Expense	\$701,300	\$618,400	\$621,900	\$865,300	\$695,000	\$695,000	\$695,000	
DP Capital Outlay	\$161,600	\$633,400	\$1,818,600	\$950,800	\$466,400	\$466,400	\$466,400	
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Charges/Pass Thru	\$241,034,300	\$251,482,200	\$336,712,100	\$306,084,400	\$281,400,000	\$346,774,400	\$346,534,200	
Grand Total	\$288,425,400	\$290,298,800	\$373,199,400	\$337,803,000	\$315,960,200	\$382,125,500	\$378,948,800	

**Benefit-Cost Report for Programs within USOE
(In compliance with S.B. 2 of the 2012 Legislature)**

Section: Assessment and Accountability

Description of Section Functions, Programs and Statutory provisions fulfilled:

The Utah State Office of Education Assessment and Accountability Department section is responsible for the following:

- Oversight of all Federal and State Mandated Assessments for approximately 500,000 students across Utah in grades 1-12. Approximately 1,200,000 assessments are administered annually.
- Oversight of the creation and distribution of required federal and state accountability reports.
- Collection, correction and distribution of all assessment data. Public and LEA data access is provided through the Public School Gateway, and the Data Display.
- Implementation of the formative assessment tool, UTIPS and its replacement, SAGE formative assessment used by teachers in grades 1-11 in the subjects of Language Arts, Math and Science.

State and/or Federal Regulatory Functions Performed by the Section:

The assessment section oversees the development, production, distribution and administration of all of the following assessments required by state or federal regulations.

Assessments:

- Computer adaptive assessments in grades 3-12 in language arts, mathematics, science
- Alternate assessments for severely disabled students in grades 1-12 in language arts, mathematics and science
- Direct Writing Assessment in grades 5 and 8
- Individual reading assessment in grades 1-3
- English language proficiency assessment in grades K-12

Regulations:

- 20 USC 6311, SEC. 1111 (b) (3) Academic Assessments.
- 20 USC 6311, SEC. 1111 (b) (7) Assessment of English Language Proficiency.
- 53A-1-606.7. State Board of Education required to contract for a diagnostic assessment system for reading.
- 53A-1-607. Scoring -- Reports of results.
- 53A-1-904. No Child Left Behind -- State implementation
- R277-402. Online Testing
- R277-403. Student Reading Proficiency and Notice to Parents
- R277-404. Requirements for Assessments of Student Achievement
- R277-473. Testing Procedures

- House Bill 15 (2012) Statewide Adaptive Testing

State and/or Federal Reporting Requirements Performed by the Section:

Utah Comprehensive Assessment System (UCAS) reports
Annual Measurement Achievement Objectives (AMAO) reports

Benefits Provided by Program or Section:

Assessments created, administered and scored by the section provide both summative and formative data to state personnel, legislators, district superintendents, principals, teachers, students and parents. Provided valuation, reporting and data systems allows all educators in the state to make informed decisions on how to adjust curriculum and instruction to improve student learning.

The work of the Utah State Office of Education Assessment and Accountability section benefits all students in the state by providing teachers, students and parents with data that allow them to adjust curriculum, instruction and learning to: meet individual student needs, maximize progress in the Utah Core Standards, graduate/complete school with academic and life skills, and work toward further education or careers.

School staff are provided with professional development on how to use data to inform instruction and select interventions that may be used with a wide population of students, thereby allowing more students to succeed in school and be prepared for career and college. The public interacts with educated students who leave school with functional and academic skills, reducing the need for later reliance on state/federal programs or funds.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 7,409,704.34
• Federal Funds	\$ 7,273,491.94
• Other (Describe):	\$14,950,932.00 (HB 15 & Grants/Initiatives)
Total Funding	\$29,634,128.28

Section Costs:

• Personnel Costs	\$ 1,392,924.50
• Travel Expenses	\$ 22,324.20
• Current Expenses	\$ 25,977,666.16
• Other Charges	\$ 2,241,213.42
Total Costs	\$ 29,634,128.28

Implications if the Section were not to provide the above noted functions or programs:

All the major deliverables provided by the Assessment and Accountability section are required by federal and/or state regulations. Failure to provide these required assessments and accountability reports and the associated services would place Utah in non-compliance with federal regulation impacting federal funding and potentially generating federal fiscal penalties.

The assessments and accountability reports provide the information necessary for legislative and public oversight of the educational system. Without this information appropriate review and oversight of the education budget would not be possible.

Estimated Program or System Savings from Section Functions:

Cost savings are realized through a single state development of assessments which allows the initial large fixed cost of assessments to be distributed over the entire student population of the state. The cost per student for assessments is significantly reduced as the number of students per assessment increases. If LEAs were required to provide the assessments, the fixed cost for each assessment would be borne separately for each LEA which would dramatically increase the per-student cost of the assessment.

Total cost of assessments provided by the state:

\$12.6 million

Estimated cost of assessments if procured separately by each LEA:

\$45 million

Estimated savings:

\$32 million

Estimated Program or System Cost Avoidance from Section Functions:

Accurate data and accountability reports allow policy makers to ensure the most efficient expenditure of educational dollars.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

If LEAs were responsible for procuring the required state and federal assessments the estimated cost would be an additional \$32 million dollars.

Summary of Costs and Benefits:

The Assessment and Accountability section provides all federal and state required assessments and accountability reports in an efficient and cost effective manner. The section partners closely with other USOE departments to provide high quality services to LEAs. The resulting assessment data and accountability reports provide policy makers, educational leaders, teachers, parents and students with the critical information necessary to monitor and improve performance of the educational system at all levels from individual student to the state level.

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2013 Legislature)**

Section: Education Equity

Description of Section Functions, Programs and Statutory provisions fulfilled:

Federally Mandated State Education Agency (SEA) K-12 Civil Rights Compliance Monitoring - Title VI, Title IX, Section 504, Title VII (EEO):

Education Programs and Activities Covered by Title IX

Programs and activities which receive ED funds must operate in a nondiscriminatory manner.

(http://www2.ed.gov/about/offices/list/ocr/docs/tix_dis.html)

SECTION 504 OF THE REHABILITATION ACT OF 1973

This policy interpretation applies to any public or private institution, person, or other entity that receives or benefits from HEW financial assistance. For further information, see definition of "recipient" at 45 CFR section 84.3(f).

Authority: Regulation issued under section 504 of the Rehabilitation Act of 1973, 45 CFR §84.22 and appendix A.

(<http://www2.ed.gov/policy/rights/reg/ocr/frn-1978-08-14.html>)

PART 100—NONDISCRIMINATION UNDER PROGRAMS RECEIVING FEDERAL ASSISTANCE THROUGH THE DEPARTMENT OF EDUCATION EFFECTUATION OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

A local educational agency (as defined in 20 U.S.C. 8801), system of vocational education, or other school system

TITLE 34—EDUCATION

PART 100—NONDISCRIMINATION UNDER PROGRAMS RECEIVING FEDERAL ASSISTANCE THROUGH THE DEPARTMENT OF EDUCATION EFFECTUATION OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

This regulation applies to any program to which Federal financial assistance is authorized to be extended to a recipient under a law administered by the Department.

(Authority: § 602, 604, Civil Rights Act of 1964; 78 Stat. 252, 253; 42 U.S.C. 2000d-1, 2000d-3)

(<http://www2.ed.gov/policy/rights/reg/ocr/edlite-34cfr100.html#S4>)

As the unfunded federally mandated SEA, the Utah State Office of Education, is required to have staff (the Education Equity Section), to address Title VI (Race, National Origin, Sex) issues/concerns, and serve as the state Title IX Coordinator and Section 504 Monitoring Officers, who respond to all K-12 civil rights inquiries and complaints, and route them accordingly.

It is also responsible for maintaining an updated directory of similar positions required for all Local Education Agencies (LEAs), including 41 districts and charter schools, and maintain a record of updated guidance and complaint prevention training to LEA monitoring officers, administrators and teachers.

July 1, 2012-June 30, 2013

Receiving, logging and routing civil rights inquires and complaints:

Phone/Email Inquiries –	268	Total hours	1086
Formal Complaints –	11	Total hours	110
Referred to Spec. Ed. –	2	Total hours	2
General phone calls/emails	<u>1671</u>	Total hours	<u>112</u>
Totals	1,952		3,262

Note: The Section Civil Rights Database, for all K-12 LEAs, contains a detailed record of above information to track the inquiries/complaints process through complaint resolution and monitor trends and patterns, that is made available to the Region VIII, Office for Civil Rights (OCR), on request, and which helps prioritize the guidance technical assistance trainings for LEAs.

Maintain and Share Most Current Civil Rights Guidance Information with LEAs

Review all weekly hard copy and electronic guidance information, posted on agency website, and notify all LEAs of important federal guidance updates and changes.

Publications Research Time	Total hours -	373
Civil Rights Executive Summaries	Total hours -	180
Updates (see p.2 database sheet)	<u>Total hours -</u>	<u>60</u>
Total		613

Statewide, Regional, and Local Civil Rights Guidance and Complaint Prevention Training

Note: *Includes preparation and presentation facilitation time*

Statewide Guidance Trainings -	5	Total hours -	400
Regional Guidance Trainings -	6	Total hours -	165
District/School Trainings -	4	Total hours -	80
Totals	14		645

All Other Equity Related Training and Projects

Respecting Ethnic And Cultural Heritage State Initiative

Maintain REACH Trainings Database -	Total hours	80
REACH/Prevention Training Sessions -	Total hours	475
Update REACH TOT (Training of Trainers) Manual	Total Hours	100
Martin Luther King Essay Contest -	Total hours	255
Living Traditions Public School Day -	<u>Total hours</u>	<u>42</u>
Total		952

Other Section Functions*Coalition of Minorities Advisory Committee Liaison Role*

CMAC Meetings	Total hours	381
USOE Meetings	Total hours	142
	Total	523

Complaints:			
	2011-2012	2012-2013	2013-Current
Section 504	3	4	4
Title VI	3	5	1
Title IX	2	2	1

Note: Since January, 2009, there have been ten new Offices for Civil Right (OCR) "Dear Colleague Letters" sent to all Local Education Agencies (LEAs), which include all school districts and charter schools, throughout the country. These "Letters" constitute updated and revised civil rights requirements that impact the protected classes listed above, which schools are expected to follow. These new guidance expectations have resulted in an unprecedented rise in the number of inquiries and complaints made at the State level, by parents of students and educators in the K-12 school system, as they become more aware of their rights and responsibilities from these "Letters". For example, Section 504 inquiries/complaints, under Title II of the American Disabilities Amendment Amendments Amended Act (ADAAA), impacting students with disabilities, now include 19 new "physical or mental impairments" qualifying disabilities such as asthma, allergies, etc. This non-exhaustive list is being added to yearly, and as the education public becomes aware of them, it is anticipated that the number of inquiries and complaints to the Utah State Office of Education will increase accordingly.

Dear Colleague Letters:

- January 9, 2009, Clarification of Anti-Discrimination Laws:
<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-20090108.html>
- October 26, 2010, Bullying of Protected Class Students:
<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201010.pdf>
- April 4, 2011, Sexual Harassment Including Sexual Violence:
<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201104.pdf>
- May 6, 2011, Provide Equal Access to All Students:
<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201101.pdf>
- December 2, 2011, Further Diversity or Reduce Racial Isolation
<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201111.pdf>
- January 25, 2013: Students with Disabilities in Extracurricular Athletics:
<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201301-504.pdf>
- April 24, 2013, Retaliation is Also a Violation of Federal law:

<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201304.html>

- June 25, 2013, Success of Pregnant and Parenting Students Under Title IX

<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201306-title-ix.pdf>

- August 20, 2013, Bullying of a Student With a Disability:

<http://www2.ed.gov/policy/speced/guid/idea/memosdcltrs/bullyingdcl-8-20-13.pdf>

- January 8, 2014, Nondiscriminatory Administration of School Discipline

<http://www2.ed.gov/about/offices/list/ocr/letters/colleague-201401-title-vi.pdf>

Benefits Provided by Program or Section

The USOE 24-hour complaint processing time results in average of 3-6 days of missed class time for impacted protected class students “equal education opportunity” protection rights vs. average of Region VIII, OCR complaint processing time of 30 to 60 days.

Civil rights guidance and complaint prevention training and technical assistance keeps LEAs current with latest federal guidance updates which has resulted in fewer Region VIII, OCR, Utah specific LEA compliance reviews. The last protected class OCR reviews were for Title VI, National Origin (ELL student services) years, 2000-2006, and administrators and teachers better prepared to maintain federally required “safe/non-hostile learning environments for all students.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 370,000
• Federal Funds	
• Other (Describe)	
Total Funding	<hr/>

Section Costs:

• Personnel Costs	\$ 285,630.91
• Travel Expenses	\$ 3,145.25
• Current Expenses	\$ 46,091.24
• Other Charges	\$ 35,132.60
Total Costs	<hr/> \$ 370,000.00

Implications if the Section were not to provide the above noted functions or programs:

There would be a dramatic increase of civil rights complaints filed directly with the Region VIII, OCR, resulting in significantly more missed classroom days for impacted protected class students , and/or their trying to function in a hostile teaching and learning school and classroom learning environment. The district/charter school administration time to investigate and resolve state level processed civil rights complaints would rise from an average of 20 total hours to an average of 60 – 80 hours, if

complaints were filed and investigated at the Region VIII, OCR level. (There are 5 states in Region VIII). Without the direct civil rights complaint prevention training for K-12 educators, administrators would be less prepared to meet their monitoring responsibilities to develop and maintain the federally required "equal education opportunity rights" for Title VI, Title IX, and Section 504 (which includes Special Education students), and for teachers to maintain non-hostile (harassment and bullying), inclusive learning environments for all students.

Estimated Program or System Savings from Section Functions:

LEAs, which include districts and charter schools, are able to access ***state developed civil rights complaint prevention trainings and certified trainers***, at little or no cost, resulting in direct savings from their professional development budgets.

Total Cost Savings for complaint prevention training only:

If these costs were privatized, it is estimated that the additional cost of 2.0 private sector FTEs would be needed. Each LEA would have to assume cost for certified trainers to train staff. These private sector trainings would, on average be \$200.00 per participant x 40 participants x 41 districts = \$328,000 + 98 charter schools x 4 participants each @ \$200.00 = \$156,880. There most likely would be travel cost as well. For an average 2 day conference, flights would be \$400.00, per diem of \$46.00 X3=\$138.00, and lodging \$130.00 x 3=\$390.00 for a total of **\$928.00**. 41 school districts X \$928.00=\$**38,048** and 98 charter schools x\$928.00= **\$90,944 Total =128,992.00**

Total

\$484,880.00 + 128,992.00= **\$613,872.00**

Estimated Program or System Cost Avoidance from Section Functions:

By having the federally required State Education Agency (SEA) Title VI, Non-discrimination, Title IX and Section 504 Monitoring Officers, the USOE avoids the potential loss of federal education funds, estimated to be \$462 million.

With parental option to file federal level civil rights complaints, and lawsuits, LEAs, are able to save potential in house legal counsel fees, and court costs estimated to be \$450 per hour x 42 complaints resulting in legal actions totaling \$6.3 million.

Total Costs Avoided: \$468 million

Estimated Alternative Costs if the Section Functions or Programs were not performed:

If the Section were privatized the alternative costs would be 3 FTEs x \$150 per hour totaling \$936,000.

Total Alternative Costs: \$936,000

Total Cost: \$370,000

Net Benefit: \$936,000 - \$468 million

Benefit divided by Cost: 2.5 to 1267 (including loss of federal funds)

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: **Internal Audit**

Description of Section Functions, Programs and Statutory provisions fulfilled:

The *Utah Constitution* vests general control and supervision of the public education system in the State Board of Education. The Utah Internal Audit Act found in *Utah Code* 63I-5-201 establishes internal audit departments in various state agencies as well as the Utah State Office of Education (USOE), under the direction of the State Board of Education. The State Board of Education (the Board) established an internal audit division in R277-116, and charged the internal auditors to work in partnership with the Board and Board officers to assess risk and provide assurances that risks are mitigated and that the governance structure of the entire public education system is strong and effective.

The USOE Internal Audit Division assists the State Superintendent and the Audit Committee of the Board in effectively fulfilling their responsibilities associated with over \$3 billion of State and Federal funds which are expended in 131 individual Local Education Agencies (LEAs), the USOE, numerous non-profit organizations, the Utah Schools for the Deaf and the Blind (USDB), and the Utah State Office of Rehabilitation (USOR).

Internal Audit is charged with examining and evaluating the policies, procedures, and systems which are in place to ensure: the reliability and integrity of data; compliance with Federal and State policies and laws; the safeguarding of assets; and, the economical and efficient use of resources. Internal audit conducts an overall risk assessment process on a yearly basis that is updated as new risks, programs or laws change. We provide oversight, monitoring, and training regarding internal controls, compliance with federal grant laws and sub recipient monitoring requirements, and compliance with State laws and regulations. The Internal Audit Director chairs the Accountability Council at USOE, which serves as a forum to discuss system wide monitoring, compliance, and other tools and methods to utilize State and Federal funds effectively and make the public education system efficient and compliant.

In cooperation with the USOE School Finance division, the Internal Audit division reviews each LEA's financial and single audit each year and follows up on significant findings. Internal Audit also reviews financial and single audits of significant non-profit, state, local government, and other non-LEA sub recipients and follows up on audit findings.

Internal Audit manages a statewide hotline which is available to all public education employees and the public covering all LEAs and statewide public education issues.

Under the direction of the Audit Committee, Internal Audit conducts audits, reviews, and investigations based on issues noted in risk assessments, hotline calls, and other various referral or determination methods. These audits are conducted on individual LEAs, programs, USOE divisions, federal programs, or any other matter that is under the direction of the Board. Internal Audit also provides an independent, objective assurance and consulting activity that adds value by overviewing and improving

operations system wide.

The Internal Audit department acts as a liaison between the USOE and LEAs in State and Federal audits. The Internal Auditors devote time to creating training and reference materials and doing presentations for all stakeholders in the Public Education system.

The USOE Internal Audit Department evaluates and reviews the effectiveness of risk management, internal controls, and governance processes and acts as a deterrent to fraud. Internal Audit at the USOE provides important oversight and monitoring of over \$3 billion of education funds. All Internal Auditors at the USOE hold advanced degrees. The Director is a licensed Certified Public Accountant (CPA) and a Certified Fraud Examiner. The other staff members are taking exams to earn the CPA designation and all members are working on obtaining the Certified Internal Auditor designation. The Internal Auditors are experienced, devote time to train USOE and LEA staff, and review and improve programs and processes at USOE and throughout the State.

State Citations:

Utah Constitution

Article X, Section 3 – Vests general control and supervision of the public education system in the Board.

Utah Code

53A-1-401(3) – Directs the Board to adopt rules to promote quality, efficiency and productivity, and to eliminate unnecessary duplication in the public education system.

53A-1-405 – Makes the Board responsible for verifying audits of local school districts.

53A-1-402(1)(e) – Directs the Board to develop rules and minimum standards regarding cost effectiveness measures, school budget formats, and financial accounting requirements for the local school districts.

53A-17a-147(2) – Directs the Board to assess the progress and effectiveness of local school districts and programs funded under the Minimum School Program and report its findings to the Legislature.

63I-5-101-401 – Sets forth the expectation that various State Agencies will conduct internal audit procedures. This section also requires the State Office of Education to conduct various types of auditing procedures as determined by the Board.

51-2a-201 – Receive and review audited LEA financial statements and advise further action based upon the findings in these reports.

Utah Administrative Code

R277-116 – Internal Audit procedures

State and/or Federal Regulatory Functions Performed by the Section:

Federal Regulatory Functions:

Internal Audit provides oversight and training to USOE Federal program divisions and individual LEAs to ensure state wide compliance with the requirements of all of the EDGAR and OMB Circulars listed below. Internal Audit conducts audits, reviews, and assessments of internal controls at the USOE, LEAs, and other non LEAs sub recipients to evaluate and assess compliance with Federal regulations.

Internal Audit determines compliance with single audit requirement, reviews annual audits, and issues

audit determination letters. Internal Audit works with sub recipients to improve internal controls and processes in the resolution of findings. Reports are issued to the Board and to the public on these matters.

Federal Grants administered by USOE (approximately \$507 million in FY2013):

American Recovery and Reinvestment Act Grants (various grants)

Education Jobs

Special Education (IDEA, Preschool)

Title I Programs

Child Nutrition (School Lunch)

Career and Technical Education

Adult Education

Vocational Rehabilitation-USOR

Independent Living-USOR

Public Charter Schools

After School 21st Century

Technology Literacy

Improving Teacher Quality

State Assessment

Student Record Exchange

School Improvement Grants

Disability Determination-USOR

Federal Regulations:

Education Department General Administrative Regulations (EDGAR)

34 CFR Part 80 .20-.26, .40 – applies to state and local governments (districts)

34 CFR Part 74 .20-.28, .40 – applies to non-profit organizations (charter schools)

The State must expend and account for grant funds in accordance with State laws and procedures. Fiscal controls and accounting procedures of the State, as well as its sub grantees and contractors must be sufficient to:

- 1) Prepare accurate reports required by grants
- 2) Permit the tracing of funds to a level of expenditure adequate to demonstrate allocable costs
- 3) Financial management systems must meet the following standards
 - a. Accurate, current, and complete financial reporting
 - b. Accounting records must be maintained by individual grants and financial categories
 - c. Effective control and accountability must be maintained for all grant and sub grant cash, property, and other assets
 - d. Actual expenditures must be compared to established budgets, and other performance data
 - e. Applicable Office of Management and Budget (OMB) costs principles, grant regulations followed to determine allowable costs
 - f. Accounting records must be supported by source documentation
 - g. Procedures for minimizing the time elapsing between the transfer of fund from the Federal Treasury to grantees and sub grantees. Controls are in place over cash advances.

The State must monitor and ensure compliance with the items above as well as the following federal requirements for each grant at the state level and at the sub grantee level (LEAs).

1. Timely payments to sub grantees and compliance with cash management principles

2. Allowable costs and activities
3. Period of availability of funds for expenditures and reimbursement
4. Matching or cost sharing requirements
5. Allowability and application of income earned on federal funds
6. Compliance with single audit act OMB Circular A-133

Federal Office of Budget and Management (OMB) Circulars:

A-87 – Cost Principles State and Local Governments

A-122 – Cost Principles Non-Profit Organizations

The State is responsible to monitor compliance at the USOE, all LEAs, and other non-profits who are awarded funds through the USOE. These cost circulars establish principles and standards for determining costs and allowability of costs charged to federal grant programs.

A-133 – Audits of States, Local Governments, and Non-Profit Organizations

Subpart D. 105(d) Pass-through entity responsibilities

- (1) Identification of Federal awards made to sub recipients, including required communications
- (2) Notification to sub recipients of applicable Federal and State laws, rules, or regulations
- (3) Monitoring activities of sub recipients to ensure Federal awards are used for authorized purposes in compliance with laws, regulations, and performance goals
- (4) Ensure sub recipients that expend more than \$500,000 in Federal assistance obtain required single audit
- (5) Issue management decisions on audit findings within six months of audit report and ensure that sub recipient takes appropriate and timely corrective action

State Regulatory Functions:

Audits/Reviews/Investigations:

Under the direction of the audit committee of the Board, Internal Audit conducts audits, reviews, and investigations based on issues noted in risk assessments, hotline calls, and other various referral or determination methods. These audits are conducted on individual LEAs, programs, USOE divisions, federal programs, or any other matter that is under the direction of the Board. The Federal citations above and the State citations below are examples of the areas that are covered. Audits, reviews, and investigations range from overall state compliance with fee schedules, transportation rules, and appropriate use of School Trust LAND funds, to the appropriate use of restricted state or federal funds.

Internal Audit is the investigative arm of the USOE for allegations of fraud, waste, and abuse at the State or LEA level. Investigations are generated by hotline calls, requests derived from the Internal Audit risk assessment, the Board audit committee, USOE, USOR, USDB, LEAs, or referrals from the State Auditor's Office. In some cases, financial investigations have been conducted to assist in investigations of the Utah Professional Practices Advisory Committee in matters of teacher licensure.

Internal Audit receives requests from the State Charter Board and their staff to conduct audits or reviews of charter related issues, monitoring of charter compliance with financial requirements, and in some cases assists in the review of accounting documentation and records in matters of noncompliance with fiscal benchmarks, charter revocation, and instances of fraud, waste, or abuse.

Internal Audit provides an independent, objective assurance and consulting activity. Any program or activity under the charge of the Board is subject to review and analysis. Activities conducted by the USOE on a state wide level are subject to review by Internal Audit. The calculation of the MSP budget, distribution of MSP or other State and Federal funds, and the administration of Federal and State programs are also subjects of Internal Audit reviews.

Hotline Calls:

Allegations of fraud, waste, and abuse are reported to internal staff through using the Hotline Reporting Form or through calling the hotline number. Internal Audit staff investigates allegations and may issue reports to the Audit Committee on findings of reports. This important function safeguards taxpayer dollars and public efficiency, and monitors compliance with State and Federal guidelines.

Liaison for all external auditors:

State and Federal auditing agencies perform audits on the activities of the USOE and the LEAs yearly. Internal Audit serves as a liaison between the auditors and the programs or individuals being audited. Data and information is coordinated to avoid duplication of efforts, and audit findings and responses are coordinated through Internal Audit.

Internal Audit also services as an audit clearinghouse for the public education system. In conjunction with School Finance, LEA and non LEA audits are reviewed and finding determination letters, including corrective action plans are issued from Internal Audit.

State Code Citations:

Utah Constitution

Article X, Section 2 – Defines the public education system.

Article X, Section 3 – Vests general control and supervision of the public education system in the State Board of Education.

Article X, Section 5 – Defines the State School Fund and the Uniform School Fund.

Utah Code/Board Rules:

53A-1-401 – General control and supervision vested to the Board, adopt rules and guidelines over distribution of state funds, develop policies and procedures related to federal education programs.

R277-114 – Corrective action and withdrawal or reduction of program funds.

R277-116 – Internal Audit procedures. Requires establishment of internal audit program and audit committee responsibilities.

53A-17a-147(2) – Directs the Board to assess the progress and effectiveness of local school districts and programs funded under the Minimum School Program and report its findings to the Legislature.

R277-419 – Pupil Accounting

R277-484 – Data Standards

R277-477 – Distribution of funds from the interest and dividend account (School LAND Trust funds) and administration of the School LAND Trust Program.

53A-1a-704 – Carson Smith Scholarship Program.

Minimum School Program

53A-1a-513 and R277-470 – Funding for charter schools.

53A-1a-1001 – UPSTART home-based educational technology program to develop school readiness skills of preschool children.

53A-2-206 – Interstate students inclusion in attendance count, and funding for foreign exchange students.

53A-16-101 et seq. – Provides for State Financing of Public Education including 53A-16-101.5 which provides for fund allocations and reporting requirements for the School LAND Trust Program.

R277-477 – Distribution of funds from the Interest and Dividend Account and Administration of the School LAND Trust Program.

53A-17a-101 et seq. – State Board of Education to administer the Minimum School Program (MSP) and all State Board of Education Rules associated with distribution of the MSP.

- a. Rule R277-110 – Legislative Supplemental Salary Adjustment
- b. Rule R277-407 – School Fees
- c. Rule R277-419 – Pupil Accounting for MSP
- d. Rule R277-422 – State Supported Voted Leeway, Local Board-Approved Leeway and Local Board Leeway for Reading Improvement Programs
- e. Rule R277-423 – Delivery of Flow-Through Money
- f. Rule R277-424 – Indirect Costs for State Programs
- g. Rule R277-445 – Classifying Small Schools as Necessarily Existent
- h. Rule R277-459 – Calculate and distribute Classroom Supplies funds
- i. Rule R277-460 – Distribute Substance Abuse Prevention funds
- j. Rule R277-467 – Distribute Library Books and Electronic Resources funds
- k. Rule R277-470 – Charter School Financial Practices and Training
- l. Rule R277-478 – Block Grant Funding
- m. Rule R277-486 – Professional Staff Cost Program
- n. Rule R277-489 – Early Intervention Program
- o. Rule R277-600 – Student Transportation Standards and Procedures
- p. Rule R277-709 – Education Programs Serving Youth in Custody
- q. Rule R277-713 – Concurrent Enrollment of Students in College Courses
- r. Rule R277-725 – Electronic High School
- s. Rule R277-733 – Adult Education Programs
- t. Rule R277-735 – Corrections Education Programs
- u. Rule R277-750 – Education Programs for Students with Disabilities
- v. Rule R277-751 – Special Education Extended School Year
- w. Rule R277-911 – Secondary Career and Technical Education

53A-21 et seq. – Public Education Capital Outlay Act

59-2-902 – Minimum Basic Tax Levy for School Districts

59-2-905 – Minimum Rate of Levy for State’s Contribution to Minimum School Program

59-2-924 – Valuation of Property to County Auditor and Commission

Pupil Accounting and Financial Data

53A-17a-106 and R277-419 – Establish standards for student membership data that is the basis for determining WPU in the MSP

53A-17a-107 and R277-486 – Maintain data and calculate distribution for the Professional Staff Cost Program

53A-17a-109 and R277-445 – Administer the Necessarily Existent Small Schools Program

53A-17a-153 and R277-110 – Calculate the Legislative Supplemental Salary Adjustment

R277-459 – Calculate distribution of the Classroom Supplies and Materials appropriation

Financial Audit

51-2a-201 – Determine compliance with LEA audit requirements

53A-1-405 – Makes the Board responsible for verifying audits of local school districts

53A-16-103 – State Board to distribute funding, many based on financial data

Charter Schools

53A-1a – Establishes provisions to create, monitor, and terminate charter schools

R277-481 – Charter School oversight, monitoring and appeals

Compliance with the following standards:

Generally Accepted Accounting Principles

Generally Accepted Auditing Standards

Government Auditing Standards

State of Utah Legal Compliance Audit Guide - Utah State Auditor's Office

Benefits Provided by Program or Section:

The Internal Audit department provides oversight over \$3 billion in State and Federal funds. The majority of these funds are spent by local LEAs.

The USOE's Internal Audit department is available to the Board, the State Charter School Board, LEA boards, the USDB, the USOR boards, LEA superintendents and directors, USOE staff, all public education employees, and the public. In a survey of the 125 LEAs in operation in calendar year 2012, conducted by the Associate Superintendent of School Finance, 41 school districts responded that they devote a **combined total of 5.4 FTEs and 6.4 individual employees to some kind of an internal audit function.** Some districts allocate between .25-.50 of an existing accountant position to perform minimal internal audit functions. Only four school districts report a full FTE and single person performing internal audit duties. Thirty-seven of the 84 charter schools responded to the survey and none reported any internal audit functions being conducted. That is only 5% of our LEAs devoting any resources to an internal audit function. See estimate of the cost associated with having an internal auditor in each LEA in the "cost avoidance section."

All of the many functions of Internal Audit are designed to review the efficiency and effectiveness of the use of public education dollars as well as compliance with numerous Federal and State laws. However, a continual risk assessment process and constant training are the key element in deterring fraud, waste, and abuse. This most likely does not occur in LEAs that do not have a full time internal audit position.

Monthly meetings of the Board Audit Committee inform and spur on action in the form of notifications, training, and other communications to the public education system as a whole. The Internal Audit office has become a clearinghouse of various issues noted regarding noncompliance in use of taxpayer dollars, intentional and non-intentional manipulation of student data and funding guidelines, and reports of fraud.

Recent developments in state government regarding rampant noncompliance with state guidelines and lack of oversight in the Department of Alcohol and Beverage Control highlights the ramifications of not having an internal audit department reviewing and monitoring compliance, assessing internal controls, doing routine reviews of transactions and all of the other internal audit functions that act as a deterrent

for fraud.

During calendar year 2013, the USOE's Internal Audit staff of three issued 12 memos/monitoring letters, nine audit reports and investigated nine hotline calls. In total, 35 different projects, hotline calls, and audits were investigated. That is a rate of about 2 reports or determination letters issued a month. Also, over 125+ LEA audits were reviewed, determination letters were sent, and followed up occurred. Internal Audit serves as the liaison between all State and Federal audits throughout the year, including the State's financial and single audits.

Internal Audit serves as an important training resource. Over the past year, the Internal Audit Director and staff have presented at two charter school director and financial trainings, as part of the Utah State Auditor's Office Auditor Update meeting, at the UIAA annual conference, to the State Board of Education, the USU coaching seminar, and in various federal program director meetings. During the calendar year of 2013, Internal Audit, with the help of the USOE's School Law and Legislation division, drafted a new Board rule over LEA Fiscal Policies and Accountability, worked on a training manual, and drafted model polices for fiscal practices. Training courses provided by Internal Audit are much more cost effective than hiring outside consultants. Furthermore, training material can be provided to all LEA staff at little to no costs, and incur no additional personnel costs.

LEAs and other entities under the governance of the Board can utilize the skills and services of Internal Audit at no charge. LEAs can request internal control reviews and consultations, policy and procedure evaluations, fraud audits, training, and any other type of review they require.

The following are some of the reviews, audits, and evaluations conducted by Internal Audit:

- Internal Audit reviews and evaluates internal controls over the USOE and LEAs throughout the State.
- Conduct program, financial, and performance audits, reviews, and monitoring as directed by the Audit Committee, the Board, and the Internal Audit risk assessment.
- Investigate and review matters reported on the Internal Audit hotline.
- Internal Audit personnel provide LEA training, professional development, and support free of charge.
- Internal Audit personnel provide expertise at costs lower than similar private industry positions.
- Coordination with other state agencies lends expertise and address changes over time.
- MSP funds are distributed after an intense review of data for accuracy and completeness.
- Staff provides trainings to LEA's boards and administration.
- LEAs receive training on internal controls at various conferences, on-site, on-line, and as requested.
- Internal control trainings maintain the confidence of the public, provide tools for LEAs to manage their resources and fiduciary responsibilities, protect LEA's resources from errors, waste, or abuse, ensure compliance with LEA policies and State and Federal law, and protect employees in the most cost effective way.
- Evaluate and recommend internal controls over various key processes.

Example audit reports issued:

2013-12 Monitoring of the Utah Schools for the Deaf and Blind

2013-01 Fiscal year 2012 Financial and Single audits for LEAs

2012-22 Monitoring of the Roads to Independence
 2012-24 Performance Audit of Utah’s Diagnostic Assessment System Contract for K-3 Reading
 2012-09A Audit of SEPS Learning Center Compliance with Carson Smith Scholarship Requirements
 2012-09B Review of Carson Smith Scholarship Monitoring Process at the USOE
 2012-28 Monitoring of Education Jobs Funds Fiscal Year 2013
 2012-17 Monitoring of Education Jobs Funds Fiscal Years 2012 & 2013
 2012-08 Monitoring of Salt Lake Arts Academy

Examples of tasks/projects completed:

Verification of ARRA required reports (quarterly since 2009)
 Update of the State Legal Compliance Guide through the State Auditor’s Office
 Review draft board rules and potential legislation
 Drafting of financial accounting and internal control manual for individual schools
 Verification of payroll certification process at USOE
 Verification of data, formulas, and MSP budget/distribution

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

<ul style="list-style-type: none"> • State Education Funds • Federal Funds • Other (Describe): 	\$ 318,407 \$ 0 \$ 0
Total Funding	\$ 318,407 Fiscal year 2013

Section Costs:

<ul style="list-style-type: none"> • Personnel Costs • Travel Expenses • Current Expenses • Other Charges 	\$ 264,146 \$ 1,916 \$ 19,855 \$ 32,490
Total Costs	\$ 318,407 Fiscal year 2013 (1 director, 2 staff)

Implications if the Section were not to provide the above noted functions or programs:

Provisions for the establishment of internal audit functions are set forth in *Utah Code*. If the Board did not have an internal audit function they would not be in compliance with *Utah Code*. Furthermore, the exposure to risk to the public education system would grow exponentially year after year. The LEAs would be burdened with task of providing more FTEs for internal audit functions, taking education dollars out of classrooms and away from teachers. Internal audits that are presently being conducted would costs LEAs significant amounts of money, whereas now the Board provides the internal audit service at no charge. It is more than likely that audits and reviews, aside from the required annual financial statement and single audit, would only be conducted as responses to significant legal matters,

thus increasing the costs of waste, inefficiency, and potential errors or misappropriations system wide.

LEAs could also hire outside audit firms to conduct internal audit functions, or could hire a firm to audit a group of LEAs. However, outside audit firms do not have a thorough nor working knowledge of the public education budget and allocation system, nor detail knowledge of the Federal and State Compliance requirements of the Department of Education Federal grants. Costs per hour (evaluated below) are much higher in public accounting firms, depending on the size of the firm. Availability of external auditors to conduct internal audit functions may be limited to specific times of the year. Continual risk assessment and training could not occur on a daily or on an as needed basis. The perception of monitoring and detection deteriorate the more removed “internal auditors” are from the function and processes they audit. The same applies to external audit costs that would be incurred by USOR, USDB, and the USOE.

Each Federal program area at the USOE would have to be reviewed for compliance in general matters, including reviewing LEA and other sub recipient financial statement audits and following up on findings. Currently, few of the federal programs employ staff that has the professional qualifications or experience to evaluate audit findings and compliance and render audit determinations. This would significantly reduce the efficiency of the USOE staff in federal programs, and cause duplication of efforts and potentially result in overall noncompliance at the State level.

Findings of noncompliance can also result in questioned costs and potential loss of federal funds. Significant findings of this magnitude could impact the State’s ability to obtain and retain federal funding, resulting in decreased services to children with disabilities, low income and disadvantaged students, decreased career and technology and college readiness programs, adult education, and other federal programs.

If there was no consistent oversight being performed by Internal Audit, there would be a greater chance of errors, waste, or misappropriations system wide. Public confidence in state governance and public education would significantly be diminished. Transparency and the accuracy of data and reports generated and used by the legislature to make decisions could be compromised. Furthermore, there would be little to no oversight of LEAs or expenditures made at the USOE. This could result in reduced funding from state appropriations. Reduced federal funds, decreased state appropriations and all instances of fraud, waste, or abuse reduce funds available to reduce class sizes, purchase educational materials, increase teacher salaries, and fund professional development.

Inadequate oversight increases the risk of noncompliance and fraud in every level of the public education system. Inadequate oversight at the state level leads to inadequate oversight at the LEA level. Insufficient system wide oversight has significant impacts on student’s education, safety, and health, resulting in untold costs.

Estimated Program or System Savings from Section Functions:

It is difficult to quantify the costs of fraud, noncompliance, and inefficiency that are saved as a result of internal audit functions, as the goal of internal audit is primarily to deter fraud through proper internal controls and risk assessments.

During the fiscal year 2013, the State Auditor’s Office questioned \$30,000 in the Career and Technology Education grant. Internal audit was also able to reduce over \$5,000 in questioned costs pertaining to

the Utah State Office of Rehabilitation. Internal audit was able to perform procedures and reviews to eliminate these questioned costs before the audit was issued. These are costs that would have had to be repaid to the Federal Department of Education with unrestricted state dollars.

During the fiscal year 2012, monitoring conducted by Internal Audit on EduJobs was used by the State Auditor's Office to remove over \$2 million in questioned costs.

The Association of Certified Fraud Examiners, in the 2012 Report to the Nations on Occupational Fraud and Abuse report that typical organizations typically lose 5% of their revenue to fraud each year (<http://www.acfe.com/rtnn.aspx>). Over \$500 million dollars in federal funds were administered by USOE in fiscal year 2013. If even 1% of those expenditures were questioned or lost to fraud that would result in a loss to the public education system of \$5,000,000, 5% results in a loss of \$25,000,000.

The same calculation can be completed for state funding. Approximately \$3 billion in state funds are appropriated by the legislature each year. If even 1% of the total is lost to fraud, waste, or abuse that results in a system wide loss of \$30 million and that doesn't take into consideration local property tax revenues or revenue generated at the individual LEA level through student fees, donations, and fundraisers.

During calendar year 2013, internal audit created comprehensive fiscal model policies to aid LEAs in complying with the provisions of Board Rule 277-113. Internal audit developed model policies for cash receipts, expenditures, fundraisers, and donations, gifts, and sponsorships. These model policies address the establishment of internal controls and procedures over the above areas, compliance with Utah code, requirements for retained documentation and approvals, and directives concerning school sponsored activities. It took the two internal audit staff approximately a month to gather documents, evaluate documentation, draft model policies and procedures, and gather or create corresponding forms. Four weeks at eight hours a day is approximately 160 hours per auditor, or 320 hours total, which is a conservative estimate. At the average internal audit rate in FY2013 of \$42 (\$264,146/2080/3 salary and benefits), the estimated cost of the policy work for LEAs is approximately \$13,500. Internal audit services were provided to the LEAs at no charge. Had a consultant or attorney at a law firm draft the required policies using the same hour estimate at an average rate of \$75 an hour, it would have cost the district \$24,000. However; the average lawyer fee in the public sector is closer to \$150. Thus the policies would have cost each LEA about \$48,000.

Internal Audit provides a significant amount of assistance to LEAs on how to implement effective internal controls and monitoring procedures. During calendar year 2013, the USOE internal audit staff has conducted internal control and expenditure reviews on 10 entities (8 LEAs and two sub recipients). These reviews usually take two auditors between 40-80 hours to complete. This would result in a cost of about \$3,360 per review, and approximately \$6,000 if a public CPA firm were to conduct these reviews at a rate of \$75 per hour. Again, these reviews were provided at no charge.

During calendar year 2013, the internal audit team planned training for all LEAs and directors at the USOE regarding the changes to the procurement code. Internal Audit estimates that it took about 30 hours of time to plan and research topics, prepare training materials, and the presentation. This presentation was presented six times, reaching over 100 charter school directors and charter business managers, over 20 USOE directors or support staff, and over 15 district legal counsel representatives, and the UIAA (athletic director) conference. The presentation lasted 1-2 hours. If each school district and charter school had to prepare their own presentation materials or hire an outside presenter to

cover these topics, a conservative estimate of in house costs would be around \$500. If all LEAs were required to prepare this training, we estimate the costs for 131 LEAs to be \$65,550 to the public education system.

Estimated Program or System Cost Avoidance from Section Functions:

Internal Audit staff provides expertise, training and experience with the public education system for an average cost of \$42 per hour. Currently only 5.4 FTEs in 125 LEAs are devoted to internal audit functions.

If each District assigned one FTE, and each charter assigned .5 FTE to internal audit functions we estimate the cost to be approximately \$7,512,960. (Districts: $42 \times 2080 \times 41 = \$3,581,760$ and Charters: $42 \times 1,040 \times 90 = \$3,931,200$).

If public accounting firms or consultants were hired to provide internal audit function for LEAs, we estimate the costs to be approximately \$13,416,000. (Districts: $75 \times 2080 \times 41 = \$6,396,000$ and Charters: $75 \times 1,040 \times 90 = \$7,020,000$). However, at \$75 an hour it is unlikely that LEAs would contract for services at a less than part time status, or for individual functions, and would not benefit from the oversight of a full time internal audit position.

Internal Audit provides oversight to LEAs for only \$264,146 in personnel costs. The USOE internal audit staff is more efficient due to extensive knowledge about the public education system, laws and regulations governing state and federal programs, and extensive experience and training regarding internal controls. Furthermore licensure and training costs benefit the entire public education system as a whole, instead of individual LEAs. Training materials, presentations and other resources can be developed using the most recent knowledge and expertise and distributed to all LEAs. Having consistent training available to all LEAs reduces overall system inefficiencies and redundancies.

The following is a comparison of other internal audit staff and total funds overseen by State agencies based on calendar year 2011 data:

Agency	# of staff	\$ budget of audit focus
Department of Alcohol & Beverage Control	2	\$36,000,000
State Courts	4	\$132,558,400
Department of Natural Resources	4	\$170,000,000
Department of Corrections	6	\$237,000,000
Department of Community & Culture	1	\$282,000,000
Department of Human Services	6	\$650,000,000
Office of Inspector General (DOH)	31+	\$1,800,000,000
Department of Health	3	\$2,200,000,000
Department of Workforce Services	5	\$2,400,000,000
State Board of Education	3*	\$3,000,000,000
Board of Regents (all IHEs)	28	\$4,000,000,000
Office of Legislative Auditors	27	\$11,500,000,000
State Auditor's Office	45	\$18,800,000,000
* not including 5.5 FTE at LEAs		
+includes all nurses, Dr.s and other staff that evaluate claims with audit department		

The Internal Audit division is an essential section for the public education system overall. In comparison

to other state agencies and the amount of funds overseen the USOE internal audit division is understaffed and would be able to better serve the public education system with additional FTEs. The risks associated with \$3 billion dollars being expended by the LEAs, with varying levels of financial experience, staffing resources, drastically differing internal control environments, and varying levels of oversight are great.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

Alternative costs are listed above as contractors or current sources of revenue would need to be redirected from classrooms to other areas of staffing to perform the tasks now being performed by the State Board of Education’s Internal Audit department. If each school district were to hire a full time person dedicated to perform internal audit functions it is estimated that it would cost around \$90,000 in salaries and benefits. Internal Auditors with experience in government and education, as well as internal auditing methods would most likely costs around \$120,000 in salaries and benefits. Many of our LEAs would struggle to hire someone with the qualifications and experience that would want to reside in some of the rural districts.

Summary of Costs and Benefits:

Benefits	\$ 7.5-\$13.4 million system wide
Costs	\$ 318,407
Benefit/Cost	23.6 – 42.1

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: Internal Accounting

Description of Section Functions, Programs and Statutory provisions fulfilled:

Maintains and provides accounting functions as generally required by any organization. Track approximately 100 sources of funding and the disposition of each funding source with detailed accounting codes. Properly charge to each funding source and cost code to ensure compliance with Generally Accepted Accounting Principles (GAAP) and federal regulations. Create ad hoc reports using accumulated information as needed for the Board, management or other agencies.

Collect and deposit cash receipts into proper bank accounts, including federal cash receipts from federal grants, reconcile bank accounts, reconcile internal accounting systems required for Rehabilitation payments and Minimum School reporting. Process all payments and transactions including any corrections to transactions, payments to employees for travel or other reimbursable expenses, posting or allocating costs from ISFs in the state, motor pool allocations, payments for general services, allocation of rent costs, liability insurance, and payment for client services.

Process monthly payments for transfer of funds to each of 125 Local Education Agencies (LEA) in Utah, batch all payments federal and state, and oversee transfer through Treasurer's office and FINET. Provide report for each LEA receiving funds so they can properly record amounts transferred. Also provide other reports for LEAs as needed annually for audit purposes and for their reconciliations.

Work with programmers to maintain an internal accounting system, Budget Accounting System for Education (BASE), which provides functionality not available in FINET. BASE allows employees of the Utah State Office of Education (USOE) and Utah State Office of Rehabilitation (USOR). Maintain a budget system for all divisions to the object level for each source of funding.

Maintains data for all grant awards. Maintain data for awards to LEAs or third parties and changes to awards; report all federal grant awards in USOE and Child Nutrition Program (CNP) to Federal Funds Accountability Transparency Act (FFATA) database maintained by the Federal Government.

Process and account for all payments for the Revolving Loan Fund for School Districts and Charter Schools. This includes the correct posting of interest and principle for each loan.

Annually provide to State Finance a Payment Card Institute (PCI) assessment. The PCI assessment is required to accept electronic payment cards for to help reduce risk of theft.

Provides travel arrangements for USOE\USOR employees as well as teacher trainers and for other persons assisting with developing educational materials for the schools. Provide travel arrangements for council members for Rehabilitation councils as needed.

Follow State Procurement Code and other provisions of the Utah Code in performing all purchasing duties. We use the State Purchasing MA10 agency contract expiration report to assist with our expiring contracts. We use it to query our database and add additional information. Our automated report

generates e-mails at predetermined times (30, 60, 90, 120 days) depending on the importance of the contract and the performance history of the contract monitor. These e-mail reminders can be sent to the monitor to determine what action must be taken, and keep track of when the reminder went out, what reply came back if any, what it said, if action has been taken or not and keep sending if necessary so contracts don't slip through the cracks.

Purchase goods and services for all divisions in USOE, USOR and CNP. Comply with state and federal purchasing regulations, review requests for proposals, determine best method of procurement, comply with standing State purchasing contracts, make contract payments, review contract payments, receive and direct goods delivered to main office building. Resolve issues and contract disputes with vendors. Advise employees on proper purchasing procedures. Advise employees on proper and most cost effective purchasing procedures.

Act as agency Purchasing Card Coordinator. Review Purchasing Card Procedures Checklist with new applicants. Review monthly statements approve transfer for payment of goods or services. Uses Purchasing Card to make internet purchases, register for conferences or other purchases for the agency when the vendor won't take a warrant.

Responsible for timely, accurate and efficient dispersal of all incoming USOE/USOR mail. Contacts employees directly to inform of priority shipment arrivals and location for pick up. Records all incoming visible checks into accounting log. Notifies concerned parties regarding address errors issues. Provides customer service by giving guidance, answering questions via e-mail, voice mail and service counter. Advises on correct parcel packaging and preparation and best choice of service due to the shipping of time sensitive materials. Provides price and type of service cost quote comparisons. Published and updates as necessary, mailing guidelines of all rules and procedures required to comply with USPS regulated rules and cost effective mailing strategies facilitated through state mail for final processing. This document aids in the cross training of new support staff employees. Maintains a detailed alphabetical internal mail routing directory of all current and former agency employees and corresponding mail box by physical building locations. Updates an alphabetical internal employee phone number roster, alphabetical listing of agency internal departments, programs and related acronyms. Promptly notifies all agency staff of any immediate changes required by state mail that directly impact their work. Orders, stocks and maintains adequate inventory of all necessary postal supplies. Tracks and performs all final processes for monthly billing of postage due fees.

Manage all functions of shipping and receiving goods for agency. Inspect all incoming shipments for visible box damages. Secures all shipped and received parcels of testing materials, computer and related items and high value shipments until picked up by receiving customer or shipping vendor. Consults customer on additional features available such as declared value insurance and restricted signature or special addressing requirements. Prepare necessary packaging, weighs and processes all outgoing US and international Federal Express shipments. Monitor all package processes through distinct tracking numbers. Maintains Federal Express account and prepares all invoices for payment with vendor. Tracks and sorts all final charges and credits due by preparing final month end billing to all internal agency account cost codes. Trouble shoots all billing errors. Orders, stocks and maintains adequate inventory of all necessary federal express supplies.

Handles all receiving of internal office supply orders from Office Depot, Staples and Office Max. Sorts and cross references orders to purchase order numbers. Verifies order totals are correct. Inspects orders for damages, shortages or errors. Promptly contacts employees directly to inform of office supply shipment arrivals and location for pick up. Monitors all back orders and product cancellations and notifies customer of order status updates. Contacts and reports directly to office supply vendors

customer service department and arranges for all product credits, returns, replacements and/or discrepancies. Serves as an advocate on behalf of customer to resolve product availability and deadline issues and arrange credits of "non-refundable" special order conflicts directly with vendor account managers. Submits all billing and credit invoicing to internal accounting department for final processing in a timely manner.

Collect mail for state mail processing, maintain systems for UPS and Fed Ex and handle their incoming and outgoing packages. Allocate these costs to the divisions. Oversee 3 Industrial copiers and allocate costs, arrange for maintenance and renewal, coordinate with state printing on all print jobs and assure that all print jobs meet proof reading standards for the agency. Direct print jobs to UCI or outside vendors when state printing is unable to provide needed services.

Provides Accounting and Federal Financial Reporting services for USOR. This includes processing payments to vendors for direct services to clients. USOR serves over 30,000 Clients annually. We process as many as 4,000 transactions per month for these services. As well as the DDS who serve over 22,000 claimants annually, this requires processing an addition 2,000 transactions monthly.

Process accounts payable transactions for administrative costs, employee travel, current expenses, payroll, etc., for USOR. Internal Accounting monitors the transactions to ensure proper procurement policies and procedures are followed. Reconcile expenditures for clients between FINET, and our client information systems, IRIS for USOR and BASE for Disability Determination Services (DDS). We have many commercial merchant accounts that require reconciliation monthly as well. Monitor USOR budgets and appropriations.

Fulfill reporting requirements for various federal grants. Ensure state funds matching requirements are met. Provide assurance that funds from federal grants are used in accordance with federal guidelines, policies and within the time frame given to expend those funds.

Provide financial information to USOR administration to facilitate decision making. Reports completed by Internal Accounting for the DDS include but not limited to: a Monthly Obligation Report that shows expenditures and obligations, also quarterly spending plans, quarterly expenditure reports (Social Security Administration (SSA)-4513), these are prepared by our section and submitted to the regional office of SSA in Denver Colorado, when due. Expense reports are prepared for interagency contracts so funds can be transferred between agencies according the contract provisions.

Prepare SF-425's for multiple grants which are submitted to The Rehabilitation Services Administration (RSA) (section of US Department of Education). Preparation of RSA 2 annual report. Each grant has its own matching requirements which are also monitored. The expenditures for these grants are monitored to ensure they comply with the grant period and the grant purpose.

Close out and submit the financial reports for USOR each July and federal grants each October. We prepare information for budget prep every year including a list of all federal grants with expected expenditures, vacancy savings report, HB138 report (financial data and FTEs), fees and leases. Also provide data for legislative fiscal analysts and the Governor's Office of Planning and Budget. Provide accounting and fiscal services to USOR and USOE Administrations.

Enters and maintains records on fixed assets in FINET, reviews and reconciles at least annually and notes disposal of assets at end of useful life as required to meet reporting requirements for the CAFR, federal grants if asset is purchased with federal funds and for providing controls against loss of property.

Advise on Internal Revenue Code §403(b) plan as needed. Reconcile 403(b) plan with Utah Retirement Systems for former employees to determine status for retirement.

BASE tracks the number of transactions processed. It is split out by Section or Loworg, Budget, Revenue, Encumbrance, Expenditure and summarized in the Total Documents column. For fiscal year 2012 we processed:

Budget Transactions	Revenue Transactions	Encumbrance Transactions	Expenditure Transactions	Total Documents\ Transactions
4,534	2,256	10,056	618,012	671,858

The Expenditure column resulted in a payment being issued by FINET to a vendor or transfer of funds to another State agency.

State and/or Federal Regulatory Functions Performed by the Section:

Federal OMB Circular A-133 Single Audit Reports.

Federal Receipts Reporting, H.B. 218 (2011 General Session)

Comply with Education Department General Administrative Regulations (EDGAR) Title 34, Code of Federal Regulations on Federal Funds.

Comply with IRS regulations related to employee reimbursements for travel, de-minimis items, 1099 vendor reporting requirements and payroll.

Comply with state regulations related to URS and funding.

Multitude of state statutes primarily dealing with the budget act and the section applying Board of Education.

Cash Management Improvement Act (CMIA) related to Federal Funds including cash draws from federal government on at least a weekly basis.

Purchasing regulations in both federal and state statutes. Advise on and comply with FINET requirements and State Accounting Guidelines. Comply with budget preparation requirements set out by GOPB and UCA §63J. Provide purchasing contracts for approval at Board Meetings. Maintain accounts in accordance with Generally Accepted Accounting Principles and general accounting practices.

Follow Procurement Code rules & Utah Code regulations in performing all Purchasing duties such as; Small Purchases 63G-6-409, Purchase of prison industry goods 63G-6-423, Use of competitive sealed proposals in lieu of bids-Procedure 63G-6-408, Conditions for use of Sole Source Procurement R33-3-401.

Purchasing regulations in both federal statutes.

State and federal reporting requirements, per each grant requirement, as well as monitoring of expenditures to assure compliance with state and federal statutes.

Utah Code Annotated Title 53A Chapter 24.

Title 34, Code of Federal Regulations (CFR), Code of Federal Regulations Title 34 Part 80”

State and/or Federal Reporting Requirements Performed by the Section:

Section reports yearly on operations to State for compilation of State CAFR, Indirect Cost Proposal, State Close Package, Budget Prep for GOPB.

Weekly reports for federal receipts. Daily reports on old year payments.

Reports to Department of Labor for time reporting for employees.

Ad hoc reports as requested by the Board, management and other state agencies.

Submit Limited Purchasing Delegation (LPD) reports as required by State Purchasing with the required information by the required date.

Assist the Department of Administrative Services with the requirements of HB138 (2011) reporting.

Federal Grant requirements from "Education Department General Administrative Regulations (EDGAR) and Other Applicable Grant Regulations

Title 34, Code of Federal Regulations (CFR), Code of Federal Regulations Title 34 Part 80" and Rehabilitation Services requirements are monitored to assure compliance for single audit regulations. SSA- 4513, Monthly Obligation Report, Quarterly Spending Plan. SF-425's, RSA 2.

Benefits Provided by Program or Section:

Contributes to lower bonding costs by maintaining and assisting State Finance in compiling a State CAFR that maintains an unqualified opinion.

Provides data for auditors of LEAs to assist in CAFR and single audits for schools that provide unqualified opinions to lower their bonding costs.

Complies with many federal reporting requirements and cash management which are required to receive federal funding.

Completes indirect costs proposal which allows participation in federal grants to cover costs which reduces amount of state funding necessary to maintain the same level of programs.

Provides information to GOPB and LFA on budgets, revenues and expenditures detailing operations to account for \$3 billion in appropriations and collections.

Distributes the Minimum School Program to Local Education Agencies in a timely, accurate and compliant manner.

Assist sections with federal reporting requirements. Provide financial, budgetary consultations with different divisions to allow them to concentrate on program specific work.

Centralized purchasing allows this section to approve agency purchases in a consistent manner. These approvals are done with the professional knowledge of a purchasing professional with over 20 years of experience. This experience serves the agency well with the difficult and changing technical law, code, rules, templates and forms.

The purchasing agent in this agency has several Limited Purchasing Delegations (LPD) from the State

Division of Purchasing. These LPDs allow many purchases to be approved at this agency without having to send them to the State Division of Purchasing. This results in time and personnel cost savings.

Agency contract expiration dates are tracked. Critical and necessary contracts don't expire while they are still needed resulting in extra procurement work.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

<ul style="list-style-type: none"> • State Education Funds • Federal Funds • Other (Describe): Indirect Cost Pool 	\$ \$ \$ 1,203,650
Total Funding	\$ 1,203,650

Section Costs:

<ul style="list-style-type: none"> • Personnel Costs • Travel Expenses • Current Expenses • Other Charges 	\$ 971,500 \$ 0 \$ 232,150 \$
Total Costs	\$ 1,203,400

Implications if the Section were not to provide the above noted functions or programs:

The functions of this section must be done. If the functions were not done the following could happen:

- Federal Funds would not be drawn down;
- Federal education, nutrition and vocational rehabilitation grants would be denied;
- Workers eligible for rehabilitation services would remain unemployed;
- Vendors would stop providing service to vocational rehabilitation clients;
- There would be little or control over federal spending at a state level;
- No accountability of how state and federal tax money is being spent;
- Purchasing statutes and guidelines would not be followed;
- Services and goods would be purchased at inflated prices;
- LEAs would not receive state or federal funding;
- Public schools would close;
- Public school children would not be educated;
- LEAs would default on their bond payments;
- Public schools would be foreclosed and sold;
- Assets and funds could be misappropriated due to lack of controls;
- The State's CAFR could have a qualified opinion which would affect costs for the state and LEAs when bonding;
- Uneducated children would lead to an increase in all social services;
- Uneducated children will lead to an exponential increase of costs in the juvenile and later adult justice systems.

Estimated Program or System Savings from Section Functions:

Calculating the savings from our section functions is difficult. State Assistant Comptroller Marcie Handy was contacted to verify the Department of Administrative Services Division of Finance (DAS Finance) currently isn't staffed to handle the day to day accounting functions for this agency. Therefore at a minimum they would have to hire additional staffing to process the voluminous amount of transactions handled by the Internal Accounting Staff. Since DAS Finance cannot achieve savings through economies of scale the savings would either be a push or through our experience and automation of business services we could say it would, at least initially, take another entity an additional two FTE over the current.

For the other business services provided by Internal Accounting including, purchasing, mail room, copy, and travel it is difficult to quantify. If State Mail were to drop off the mail into a bin and each section were to come and pick through this bin it would not be as effective as having a centralized mail room. Also the potential for lost or stolen mail would increase. Teachers in the State of Utah mail in their fees for licensure as well as other funds come into this agency and are processed by Internal Accounting staff. This would have at best inconvenient or time lost consequences. Internal Accounting also services the copy machines throughout the building. This service allows sections to be billed appropriately for copy machine usage. Internal Accounting has a Purchasing Agent who assists the staff in all stages of the purchasing process. This expertise is a great resource and allows agency personnel to concentrate on their expertise without having to learn the intricacies of the Purchasing Code. We estimate having centralized business functions we are able to save the agency one additional FTE. This would be a savings on top of the funds each section contributes to the Indirect Cost Pool.

It is estimated three FTE are saved by having centralized accounting and business services. If an FTE is worth \$105,000 per year this would equate to a savings of \$315,000 per year.

Adhering to purchasing statutes and guidelines provided by the state Division of Purchasing saves this agency \$4,000,000 per year.

Estimated Program or System Cost Avoidance from Section Functions:

Performing purchasing services for this agency allows the agency to enter into contracts in a legal manner. If the expertise were not here it could lead to contracts being entered into illegally at worst and at best contracts wouldn't be entered into at the best possible value for the State. It could be reasoned in purchasing alone this section avoids thousands of dollars in personnel costs associated by litigation or RFP appeals costs alone. These services also allow the State to enter into contracts with vendors at the best possible value. The best value allows the State to save potentially hundreds of thousands of dollars. For this analysis it is estimated the savings to be \$300,000 to \$5,000,000 per year.

Having a centralized accounting system with proper internal controls reduces the potential for fraud. Without proper accounts payable controls fraud costs could be between \$50,000 and \$25,000,000 per year.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

If the functions of this section were not performed this agency would lose out on millions of dollars of federal grants. The functions must be performed in order to comply with state and federal regulations. The functions of this section are also required by both federal and state statutes. Therefore due to statutory requirements the functions of this section must be performed.

The alternative costs to perform these functions would be to send all functions up to DAS Finance, have the various sections do their own accounting or privatize all of the accounting functions. For DAS Finance to perform these functions they would need additional personnel. At best they would need to hire the same number of accountants Internal Accounting has along with additional Information Technology personnel to assist in processing 671,858 accounting documents or transactions. Due to the expertise acquired through many years of dedicated service by the employees of this section we have achieved certain economies of scale. Specifically the ability to process hundreds of thousands of payments and funds transfers efficiently. To have another group try to figure this all out while still maintaining current levels of production would be extremely difficult and not cost effective. Therefore the calculated alternative costs would be an additional 20 percent for the personnel and current expenses. Total alternative costs:

	2013 Expenditures	Estimated Alternative Costs
Personnel Costs	\$971,500	\$1,236,000
Current Expenses	\$233,150	\$306,480

Summary of Costs and Benefits:

Section Costs	(\$1,203,650)
Benefits: Section Savings	\$4,315,000
Cost Avoidance	\$300,000 - \$50,000,000
Alternative Costs	\$1,542,480
Benefit of Section	\$4,872,080 - \$54,572,080
Benefit/Cost	3.8 – 42.5

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: Data and Statistics

Description of Section Functions, Programs and Statutory provisions fulfilled:

Data and Statistics define, collect, review, analyze and report a variety of data on individual students, teachers and schools statewide including their demographics, enrollment, test scores, achievement and many other data items within, and as required by, Utah State law, Board Rule, Federal law, and national mandate. The Section collaborates with Utah State Office of Education (USOE), Local Education Agency (LEA), private entities, Legislative, and Governor's stakeholders to address issues of quality education data in a secure and changing environment. The data are used to regularly inform the public and decision makers throughout the system, and are used to distribute over \$4.5 billion in state and federal funds.

State and/or Federal Regulatory Functions Performed by the Section:

53A-17a-101 et seq. State Board of Education to administer the Minimum School Program

53A-13-202 Driver Education

53A-17a-106 and R277-419 Establish standards for student membership data that is the basis for determining WPU's in the Minimum School Program

53A-17a-107 and R277-486 Professional Staff Cost

53A-17a-109 and R277-445 Necessarily Existent Small Schools Program

53A-17a-153 and R277-110 Legislative Supplemental Salary Adjustment

53A-17a-135 and R277-459 Classroom Supplies and Materials appropriation

R277-484 Enforce timelines for data submission

Public Law 112-74 Title I, Parts A Education Finance Incentive Grants and C Migrant Education, Programs Neglected and Delinquent, Per Pupil Expenditure and the McKinney-Vento Homeless programs

51-2a-201 and 53A-19 Receive LEA financial statements

53A-15-1210 Direct Providers to administer state-designated assessments consistent with R277-404 and R277-473 for online courses using Local Education Agency (LEA) adopted and state-approved assessments

53A-15-1213 Online courses

53A-15-1209 Establish and administer pupil membership rules

Data and Statistics performs data audits to improve data quality for the following:

- Class size averages, including secondary courses
- Graduation rate calculation
- Dropout/transfer codes

- Limited English Proficient (LEP) students not assessed on the Utah Academic Language Proficiency Assessment (UALPA)
- Participation codes used on CRT assessments
- Schools included in school directory
- Membership
- UTREx data submissions
- Schools' Utah Comprehensive Accountability System (UCAS)
- Addresses in CACTUS
- Directed Writing Assessment(DWA)
- ED Facts congruency analyses
- Title III Immigrant counts
- Teacher Salary data
- Data submitted in Federal reports
- Race/Ethnicity data reported according to the new Federal guidelines
- Students identified as full academic year
- USOE Data Display
- Data Gateway
- Attendance data
- Consolidated Student Profile Reports (CSPR)
- Researcher Datasets
- Development of Utah Data Alliance (UDA)

State and/or Federal Reporting Requirements Performed by the Section:

Data are used in final reports to:

- 53A-1-301 Superintendent's Annual Report, statistical and financial data
- Utah Department of Health, Immunization Status Report
- Part B of Title VI of ESEA, US Department of Education, Data for Federal Eligibility determination of Rural Education Achievement Program (REAP) grant awards
- Coordination of the EDFacts report, including Fall Enrollment and other information by LEA
- Public Law 112-74 Title I, Parts A Education Finance Incentive Grants and C Migrant Education, Programs Neglected and Delinquent, Per Pupil Expenditure and the McKinney-Vento Homeless programs
- US Census Bureau School District Review Program, school district boundaries changes
- US Department of Education, ESEA allocation updates
- National Center for Education Statistics, US Department of Education, Federal Code Title 13-Section182, preparation and submission of the National Public Education Financial Survey
- US Census Bureau annual financial report
- EduJobs
- Federal Funding Accountability Act
- American Recovery and Reinvestment Act

Including, but not limited to:

- Achievement Gap Report
- State Accountability including UCAS and School Grades
- Class Size
- Staff Ratios
- Graduation and Dropout
- Student Enrollment
- Student Membership
- Enrollment Projections by District and Charter School
- Advance Placement (AP) Summary
- American College Test (ACT)
- Direct Writing Assessment (DWA)
- Reading on Grade Level
- State Literacy Report
- PK – 20 Student Longitude Data System research
- Language Arts proficiency
- Scholastic Achievement Test (SAT)
- State Core Summative Assessment reports
- Utah Alternative Assessment
- UALPA
- Optional Extended Kindergarten
- College Readiness of Utah Students
- Senior Year Mathematics

Benefits Provided by Program or Section:

All of the education data, millions of data bits by student, staff and location as required by state and federal law, and Board Rule are collected, verified, reviewed, analyzed, formatted, reported by experienced and well-educated staff, including but not limited to:

- Class size averages, including secondary courses
- Graduation rate calculation
- Dropout/transfer codes
- Limited English Proficient (LEP) students not assessed on the Utah Academic Language Proficiency Assessment (UALPA)
- Participation codes used on CRT assessments
- Schools included in school directory
- Student Membership, Attendance and Enrollment
- UTREx data submissions
- Schools' Utah Comprehensive Accountability System (UCAS)
- School and district addresses in CACTUS
- Directed Writing Assessment(DWA)
- ED Facts congruency analyses
- Title III Immigrant counts
- Teacher Salary data

- Data submitted in Federal reports
- Race/Ethnicity data reported according to the new Federal guidelines
- Students identified as full academic year
- USOE Data Display, a variety of reports available electronically and in hard copy
- Public School Data (PSD) Gateway
- Consolidated Student Profile Reports (CSPR)
- Researcher Datasets
- Development of Utah Data Alliance (UDA)

Staff works with state and local public and private stakeholders to coordinate issues regarding data, define data elements, collection tools, timing, and enforce LEA penalties if needed.

LEA staff members are trained twice annually and as needed at a variety of Data, UASBO and Charter School conferences.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 435,300
• Federal Funds	\$ 36,921
• Other (Describe):	\$ 0
Total Funding	\$ 472,221

Section Costs:

• Personnel Costs	\$ 357,200
• Travel Expenses	\$ 1,329
• Current Expenses	\$ 30,200
• Other Charges	\$ 83,492
Total Costs	\$ 472,221

Implications if the Section were not to provide the above noted functions or programs:

- The public education system would be out of compliance with a variety of state and federal laws, State Board Rules, and financial sanctions would result
- Over \$4.5 billion in state and federal funds would lack basis for distribution
- Statistical and financial data would be unavailable
- Without the distribution of funds, schools could not operate

Estimated Program or System Savings from Section Functions:

LEAs receive statistical assistance and training for which they would otherwise have to pay an estimated

\$10.8 million. Each LEA would need to hire at least a .75 FTE highly-skilled data and statistics professional that commands approximately \$60.00 an hour wage plus benefits, or \$123,000 per LEA. Economies of scale are experienced by the collection, analysis and reporting of LEA data at one location, by a few with high degrees of technical expertise and experience.

Estimated Program or System Cost Avoidance from Section Functions:

Without data rules, procedures and reviews, errors would be rampant, and data inconsistent across LEAs.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

If these functions were to be privatized, an estimated contract expense would be \$1.2 million for a firm with less knowledgeable personnel.

Summary of Costs and Benefits:

The work of this section fulfills the need of federal, state and local decision makers to have accurate and uniformed data in a timely manner. This allows LEAs to focus on their primary function of educating students, rather than using their finite resources for administrative data responsibilities. This has allowed the USOE to build an effective and proactive general system of monitoring, auditing, and reporting data.

The section operates with ultimate efficiency. It has an ongoing contact with all LEAs, allowing for proactive management, and frequent and timely responses to LEA needs for technical assistance.

Total Benefits: \$493,164 - \$1,200,000

Total Costs: \$472,221

Benefit/Cost: 1.08-2.5

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance, Auditors/Accountants

Description of Section Functions, Programs and Statutory provisions fulfilled:

Local Education Agency (LEA) staff are trained and provided assistance with their financial reports and accounting by USOE financial auditors. LEA financial reports are collected, summarized and promulgated under the state and federal law, regulations and national mandates. In addition, USOE auditors staff the revolving loan programs.

State and/or Federal Regulatory Functions Performed by the Section:

53A-3-404 (3) requires the USBE to publish financial data. Staff auditors collect the individual reports and summarize those reports to fulfill this requirement.

53A-15-202 requires the USBE to create standards for financial reporting. Staff auditors advise and implement the financial reporting standards and maintain documentation on how this is to be accomplished.

53A-16-103 requires the USBE to distribute funds. Some of the formulas contain data elements gathered through the new financial reporting system, Utah Public Education Financial System (UPEFS).

51-2a-202 Requires annual audits be sent to the USBE. Staff auditors are the recipients of these reports and create a repository and help analyze the reports to alert in case of problems noted.

51-7-11 The Money Management Council creates a listing of Qualified Depositories. LEAs' financial institutions are screened for compliance.

51-7-15, 51-7-17, 51-7-18.2 Staff auditors train LEA personnel on the requirements for public treasurers.

53A-19 Staff auditors provide training on budget requirements.

51-2a-201 requires audited financial statements be submitted to the board. Staff auditors receive, review and advise further action based upon the findings in these reports.

53A-21-401 & 53A-1a-522 creates revolving loan programs for both charter and districts. School Finance auditors staff and account for these funds.

EDGAR 34 CFR 76.561 allows indirect costs for LEAS to recover the additional administrative costs of operating Federal Grants. The staff auditors gather, verify and calculate the indirect cost rates for LEAs and check for compliance with federal guidelines.

State and/or Federal Reporting Requirements Performed by the Section:

Prepared and published are state financial reports by LEA by fund, function and object, providing an overview of school expenditures. Reports are also prepared for federal regulatory agencies, state programs and federal grants.

Benefits Provided by Program or Section:

The audit/finance specialist position provides a repository of financial data and the ability to promulgate reporting standards as well as train new LEA staff members in financial reporting responsibilities. Also provided is the ability to present information in multiple formats and assist in monitoring activities required by state and federal requirements.

The collection of FY13 financial information was performed via the new Public Education Financial System (UPEFS). LEAs are able to upload detailed financial reports and to create various reports to comply with law.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$
• Federal Funds	\$ See School Finance Summary
• Other (Describe):	\$
Total Funding	\$

Section Costs:

• Personnel Costs	\$
• Travel Expenses	\$
• Current Expenses	\$
• Other Charges	\$
Total Costs	\$

Implications if the Section were not to provide the above noted functions or programs:

There would be no meaningful collection or interpretation of financial data for policy makers or the public. Spin doctoring of information would be increased and a lack of uniformity would be introduced into the state which would undermine efforts to provide sufficient information to any level of government or the public.

Estimated Program or System Savings from Section Functions:

\$6.4 million

Estimated Program or System Cost Avoidance from Section Functions:

There would be savings by eliminating the positions but because the functions need to be performed, the alternative costs would be much higher and still not give the expertise or interpretation of financial data needed.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

Significant costs would be incurred to aggregate and provide data to the Federal government and comparability would be lost. Using alternative sources to compile and interpret this data would run over \$400,000 per year. Even with this cost there would be a lack of interpretation and uniformity.

Summary of Costs and Benefits:

The positions are a very cost effective way to meet several legislative requirements for the USBE, thereby providing data and interpretation to the legislature and other external users of LEA financial data, including the federal government and the public. Failure to retain the positions would harm the uniformity and content of data being currently provided.

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance - School Construction Oversight and Training

Description of Section Functions, Programs and Statutory provisions fulfilled:

- UCA 53A-20-104 and R277-471 – Requires USOE oversight of school construction projects, ensuring they are designed, constructed and maintained in accordance with the latest adopted building codes, state and federal laws, administrative rules, national mandates, ADA and the School Construction Inspection Resource Manual published by the USOE.
- UCA 53A-20.104.5 – Requires USOE to provide training during the “Annual Construction and Inspection Resource Conference,” which is accomplished during UFOMA (Utah Facilities Operations and Maintenance), Utah Association of Business Officials (UASBO), charter school training, and EdPAC conferences, as well as through technical assistance throughout the year for LEAs, School District Building Officials (SDBO), Charter School Board Building Officers (CSBBO), business administrators, school district superintendency, other state agencies, design professionals, contractors, and city and county personnel involved in public school construction and facility related safety.
- UCA 53A-20-103 compile the annual “School Plant Capital Outlay Report.”

State and/or Federal Regulatory Functions Performed by the Section:

- UCA 10-9a et. seq.— Establishes rights, restrictions and requirements for school construction facilities when housed in municipalities having jurisdictional authority.
- UCA 15A et. seq – Establishes the building and fire code construction parameters school facilities must be constructed to.
- UCA 17-27a et. seq.— Establishes rights, restrictions and requirements for school construction facilities when housed in counties having jurisdictional authority.
- UCA 26-15-2 et. seq.—Establishes the minimum Utah State Health Department requirements public schools must follow regarding the design, construction, operation, sanitation and safety of school facilities.
- UCA 34A-7-101 et. seq.— Establishes the requirements for school mechanical systems as they fall under the jurisdiction of Utah State Boiler Inspector in Utah Labor Code.
- UCA 53A-3-414 et. seq.—Provides the responsibilities of local School Boards' when their buildings and grounds are used as civic centers.
- UCA 53A-20-100.5 et. seq.—Outlines school construction requirements.
- UCA 53A-20-103 Outlines the requirements for the ‘School Plant Capital Outlay Report.’
- UCA 53A-20-104 Establishes process to administer and facilitate oversight, and ensure school construction is carried out with the latest adopted building codes, state and federal laws, administrative rules, national mandates, ADA and the School Construction Inspection Resource Manual published by the USOE.
- UCA 53A-20-104.5 Establishes the requirements for the ‘Annual Construction and Inspection Resource Conference.
- UCA 53A-22 et. seq.—Outlines the criteria for the construction of schools in districts with new industrial plants.

- UCA 58-56 et. seq.—Provides the minimum uniform building standards.
- Rule R156-56—Provides parameters that school facilities are constructed to obtain compliance with the latest adopted building codes, state and federal laws, administrative rules, national mandates, ADA and the School Construction Inspection Resource Manual published by the USOE.
- Rule R277-454—Establishes process when using the construction method of construction management (CM) for school building projects.
- Rule R277-471 Establishes procedures for the administration of school construction compliance.
- Rule R392-200—Provides parameters schools must follow for the design, construction, operation, sanitation, and safety of school facilities in relationship to the Utah Health Department.
- Rule R614-7—Outlines standards for construction.
- Rule R746-409—Establishes requirements for pipeline safety.
- Code of Federal Regulations, CFR Title 28 – 35.151; Title 28 – 36, subpart D; and the 2004 ADAAG – Department of Justice - Titles II and III of the Americans with Disability Act of 1990 “ADA” in the Federal Register on September 15, 2010

State and/or Federal Reporting Requirements Performed by the Section:

- UCA 10-9a et. seq.—Municipal Land Use Development and Management Act.
- UCA 15A et. seq – State Construction and Fire Code Act.
- UCA 17-27a et. seq. — County Land Use, Development, and Management Act.
- UCA 26-15-2 et. seq. —Minimum Rules of Sanitation Established by Health Department.
- Rule R392-200—Design, Construction, Operation, Sanitation, and Safety of Schools.
- UCA 53A-3-414 et. seq.— Local School Boards' Responsibility for School Buildings and Grounds When used as Civic Centers.
- UCA 53A-20-100.5 et. seq.— School Construction Requirements
- UCA 53A-20-103— School Plant Capital Outlay Report.
- UCA 53A-20-104 - Enforcement of Chapter by State Superintendent.
- UCA 53A-20-104.5 - School building construction and inspection manual -- Annual construction and inspection conference -- Verification of school construction inspections.
- UCA 53A-22 et. seq.— Construction of Schools in Districts with New Industrial Plants.
- UCA 58-56 et. seq.— Uniform Building Standards Act.
- Rule R156-56— Utah Uniform Building Standards Act Rule.
- Rule R277-454— Construction Management of School Building Projects.
- Rule R277-471 Oversight of School Inspections.
- Rule R392-200—Design, Construction, Operation, Sanitation, and Safety of Schools.
- Rule R614-7—Construction Standards.
- Rule R746-409—Pipeline Safety.
- Code of Federal Regulations, CFR Title 28 – 35.151; Title 28 – 36, subpart D; and the 2004 ADAAG – Department of Justice - Titles II and III of the Americans with Disability Act of 1990 “ADA” in the Federal Register on September 15, 2010.

Benefits Provided by Program or Section:

- School district and charter school personnel are trained in the latest adopted building codes,

state and federal laws, administrative rules, national mandates, ADA and the School Construction Inspection Resource Manual published by the USOE which assist not only compliance, to help reduce the possibility of life/safety issues, result in the most cost effective, appropriately designed and sized facilities and spaces for the particular school situation and needs.

- Various individuals are trained annually which assists those involved in construction and facility related matters understand what is required of them and apply it in practice:
 - UFOMA – 240 total individuals (120 – 2 times per year);
 - School Construction Procurement – on average 50 annually;
 - Design Professionals, Contractors, Vendors providing construction related services trained annually – 61 total.
- By receiving training charter schools and schools districts increase their knowledge and understanding of school construction and facility related matters, which helps reduce the need to procure services, resulting in reduced costs and increase efficiency.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

<ul style="list-style-type: none"> • State Education Funds • Federal Funds • Other (Describe): Office supplies and hardware <p style="text-align: center;">Total Funding</p>	<p style="text-align: center;"><i>See School Finance Summary</i></p> <hr/>
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Section Costs:

<ul style="list-style-type: none"> • Personnel Costs • Travel Expenses • Current Expenses • Other Charges (Supplies and hardware) <p style="text-align: center;">Total Costs</p>	<p style="text-align: center;">\$</p> <p style="text-align: center;">\$</p> <p style="text-align: center;">\$</p> <p style="text-align: center;">\$</p> <hr/> <p style="text-align: center;">\$</p>
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Implications if the Section were not to provide the above noted functions or programs:

- LEAs would be required to retain construction management services and/or construction administration services, which would increase costs.
- If training and oversight of construction and facility safety were not provided, school facilities may not be constructed, renovated, and maintained meeting the minimum life/safety requirements set forth in building codes. The result may be injury and/or loss of life of occupants, lawsuits, unsuitable environments for students to learn effectively, and so forth.
- LEA personnel would require alternative means of being trained in the latest adopted building codes, state and federal laws, administrative rules, national mandates, ADA and the School Construction Inspection Resource Manual, which may require expanding additional funds to obtain.
- No entity would be empowered to receive and investigate complaints and impose sanctions regarding construction integrity, financial responsibility, facility safety, or violations of law or

rule specific to: (a) requirements and provisions; (b) LEA's or Program participant's compliance with any requirement of state or federal law or Board rule under the Program; (c) failure to comply with reasonable requests for records or information.

- Fraud would not be unavoidable, as USOE currently has the ability to verify construction and procurement adherence, whereas depending on the level of expertise of the School District Building Official (SDBO) or Charter School Board Building Officer (CSSBO), there may not be enough experience to understand proper processes or procedures without the assistance of USOE.
- Rural (low population) LEAs and Charter Schools and those involved in construction projects on a limited basis may experience a higher relative increase in administrative costs encompassed in replacing services of USOE, because of their dependence on USOE personnel expertise related to construction and facility safety.

Estimated Program or System Savings from Section Functions:

- School districts and charter schools that employ individuals who have the skills to oversee the construction management (CM) duties of entire construction projects can save the cost or reduce the level of services needed to be procured, for example:
 - CM costs of 2.323% - 3.525% for projects with a budget between 1 and 10 million dollars, or a minimum of \$23,230 and a maximum of \$352,500
 - CM costs of 1.275% - 2.025% for projects with a budget between of 50 million dollars, or a minimum of \$12,750 and a maximum of \$202,500
- School districts and charter schools that employ individuals who have the skills to oversee the construction management tasks or portions of construction projects can save costs or reduce the level of services needed to be procured, for example:
 - Assisting in the procurement tasks: \$99.50 - \$138 – per hour
 - Construction Estimate Review: \$104.50 - \$137 – per hour
 - Project Management: \$99.50 - \$163 – per hour
 - Construction Meetings: \$99.50 - \$123 – per hour
 - Construction Invoice/Change Order Review: \$99.50 - \$123 – per hour
 - Construction Meeting Minutes: \$64 - \$105 – per hour

Note: Calculations based on state purchasing GC MA011, GCMA012 and GC MA013 Contracts for Consulting Services for Project Management.

Estimated Program or System Cost Avoidance from Section Functions:

- Construction Management Cost Avoidance for services provided in house for an entire construction project: between 2.323% for projects with a budget from 1 million or \$23,230 to 2.025% for projects with a budget of 50 million dollars or \$202,500
- Individual construction management task charges ranging from \$57.50 per hour for clerical services to \$184 – per hour for project executive tasks.

Note: Calculations based on state purchasing GC MA011, GCMA012 and GC MA013 Contracts for Consulting Services for Project Management.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

See School Finance Summary

Summary of Costs and Benefits:

See School Finance Summary

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance - School Construction Inspection

Description of Section Functions, Programs and Statutory provisions fulfilled:

- Utah Constitution Article X, Section 3 authorizes the State Board of Education to have general control and supervision of School Construction.
- UCA 53A-20 – Provide process to ensure that all school construction projects—after being designed by the appropriately licensed and certified individuals in accordance with the latest adopted building codes, state laws, administrative rules, ADA and the School Construction Inspection Resource Manual published by the USOE—are built compliant and have received all necessary inspections and testing by appropriately certified and licensed individuals. The end result is that each construction project receives a permanent ‘Certificate of Occupancy’ with the assurance of preservation of life/safety.
- UCA 53A-20-100.5 et. seq.—School Construction Requirements.
- Rule R23 et. seq. Administrative Services, Facilities Construction and Management.
- Rule R156-56—Utah Uniform Building Standards Act Rule.
- Rule R277-454—Construction Management of School Building Projects.

State and/or Federal Regulatory Functions Performed by the Section:

- Utah Constitution Article X, Section 3 authorizes the State Board of Education to have general control and supervision of School Construction.
- UCA 53A-20-100.5 et. seq.—School Construction Requirements.
- Rules Title R23 et. seq. Administrative Services, Facilities Construction and Management.
- Rule R156-56—Utah Uniform Building Standards Act Rule.
- Rule R277-454—Construction Management of School Building Projects.
- Rule R277-471—Oversight of School Inspections.

State and/or Federal Reporting Requirements Performed by the Section:

- School districts and charter schools would either be required to go through the jurisdiction

having authority, which could potentially increase construction costs between 1 and 5%, which would add between \$1,000 for a project with a total estimated cost of \$99,999 being imposed a 1% fee to \$3,750,000 for a project, such as the new Herriman High School, with a total estimated cost for construction of \$75,000,000 being imposed a 5% fee.

- If school districts and charter schools were required to have oversight of their construction, similar to a jurisdiction having authority, the potential cost would vary, but would be the equivalent to one FTE, skilled in the field of construction, or to obtain services for this through independent inspecting agencies.

Benefits Provided by Program or Section:

- School construction projects are inspections and testing by appropriately certified and/or licensed individuals in accordance with the latest adopted building codes, state laws, administrative rules, ADA and the School Construction Inspection Resource Manual published by the USOE, resulting in facilities that are safe, comfortable, properly designed, appropriate for the education of students.
- The end result of each construction project receiving a permanent 'Certificate of Occupancy' helps to assure the preservation of life/safety.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

- State Education Funds
 - Federal Funds
 - Other (Describe): Office supplies and hardware
- Total Funding

See School Finance Summary

Section Costs:

- Personnel Costs
 - Travel Expenses
 - Current Expenses
 - Other Charges (Supplies and hardware)
- Total Costs

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Implications if the Section were not to provide the above noted functions or programs:

- Those charged with the responsibility of construction in school districts and charter schools may not understand compliance requirements, which could result in a loss of funds related to nonrefundable fine in the amount of one half of one percent of the total construction costs being assessed for those failing to report new or remodeling projects before construction begins.
- LEAs failing to meet or satisfy a school the school construction inspection requirement or

timeline designation under this R277-471 would have their total monthly Minimum School Program funds transfer process interrupted in the amount of:

- 10 percent of the total monthly Minimum School Program transfer amount the first month;
- 25 percent in the second month; and
- 50 percent in the third and subsequent months.

Interrupting funds would eliminate the LEAs to continue performing their duties, including providing an environment conducive learning.

Estimated Program or System Savings from Section Functions:

See School Finance Summary

Estimated Program or System Cost Avoidance from Section Functions:

- Avoidance of a nonrefundable fine in the amount of one half of one percent of the total construction costs being assessed for failure to report the project before construction commences could be approximately \$500 (for a \$99,999 (the dollar threshold for reporting to USOE) total estimated cost project) to \$375,000 (for a project such as the new Herriman High School with a total estimated cost for construction of \$75,000,000) and \$54,500 for a charter school (such as Weilenmann with School with a total estimated cost for construction of \$10,900,000). In the event that all of the school construction projects active in a one year period were assessed this fine this total amount to \$5,427,968.

Calculations based on the 'Annual School Plant Capital Outlay Report-FY11.'

- Avoidance of the interrupted funds, because of failure to report construction monthly could potentially be:
 - \$18,364 the first month (10%), \$45,909 the second month (25%), and \$91,818 every month thereafter (50%), based on a construction project being carried out in Daggett School District, who receives the least amount of total MSP funding of all school districts.
 - \$2,772,686 the first month (10%), \$6,931,716 the second month (25%), and \$13,863,432 every month thereafter (50%), based on a construction project being carried out in Granite School District, who receives the most in total MSP funding of all school districts.
 - \$3,550 the first month (10%), \$8,876 the second month (25%), and \$17,752 every month thereafter (50%), based on Uintah River High, who is the charter school receiving the least amount of total MSP funding for all charters.
 - \$85,330 the first month (10%), \$213,326 the second month (25%), and \$426,651 every month thereafter, based on American Preparatory Academy, who is the charter school receiving the most in total MSP funding.

Calculations based on MSP FY 12 Final information.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

- Potentially up to \$375,000 in nonrefundable fines for failure to report prior to construction commencing.
- Potentially up to \$13,863,432 of interrupted funding for failure to report monthly construction,

throughout the project.

Summary of Costs and Benefits:

See School Finance Summary

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance – School Construction Procurement

Description of Section Functions, Programs and Statutory provisions fulfilled:

- Ensure that all school construction projects are completed in accordance with the latest school construction procurement requirements. Provide annual six-hour ‘School Construction Procurement and Certification’ jointly, with Utah State Purchasing to ensure at least one employee from each school district and public charter school involved in school construction is trained and receives a certificate indicating successful completion of the course.
- UCA 53A-20-100.5 et. seq.—Establishes school construction requirements.
- UCA 63G-6a—Outlines requirements for school construction procurement code.
- Rules Title R23 et. seq. Provides process for using facilities construction and management construction methods.
- Rules Title R33 et. seq. Establishes purchasing requirements.
- Rule R156-56—Establishes requirements for building standards.
- Rule R277-454—Establishes criteria for construction management of school building projects.

State and/or Federal Regulatory Functions Performed by the Section:

- UCA 53A-20-100.5 et. seq.—Establishes requirements for school construction.
- UCA 63G-6a —Establishes process for school construction procurements.
- Rules R23 et. seq. Outlines process for facilities construction and management.
- Rules R33 et. seq. Establishes requirements for purchasing services.
- Rule R156-56—Establishes requirements for adherence to the Utah Uniform Building Standards Act Rule.
- Rule R277-454—Defines the process of construction management of school building projects.

State and/or Federal Reporting Requirements Performed by the Section:

- UCA 53A-20-100.5 et. seq.—School Construction Requirements.
- UCA 63G-6a —Utah Procurement Code.
- Rules Title R23 et. seq. Administrative Services, Facilities Construction and Management.

- Rules Title R33 et. seq. Administrative Services, Purchasing and General Services.
- Rule R156-56—Utah Uniform Building Standards Act Rule.
- Rule R277-454—Construction Management of School Building Projects.
- Rule R277-471—Oversight of School Inspections.

Benefits Provided by Program or Section:

- By providing the training jointly with the Utah State Chief Procurement Officer, school district and charter school personnel, design professionals, contractors, vendors, and others involved in school construction are trained in proper procurement laws, rules, codes and guidelines which should result in not only compliance, but provide: for open competition, and obtain the most cost effective services.
- Approximate number of individuals trained annually:
 - UFOMA – 240 total (120 – 2 times per year)
 - School Construction Procurement – 50 annually on average
 - Design Professionals, contractors, vendors providing construction related services trained annually – 61 total

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

- State Education Funds
 - Federal Funds
 - Other (Describe): Office supplies and hardware
- Total Funding

See School Finance Summary

Section Costs:

- Personnel Costs
 - Travel Expenses
 - Current Expenses
 - Other Charges (Supplies and hardware)
- Total Costs

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Implications if the Section were not to provide the above noted functions or programs:

- School districts and charter schools may violate laws, rules, codes and guidelines, which under current requirements would result in the loss or interruption of funds.
- Potential lawsuits and/or protest related to noncompliance can become not only quite costly, but cause delays, a loss of productivity, and hamper the ability to properly educate students.

Estimated Program or System Savings from Section Functions:

- Although it is not possible to quantify potential added costs involved with failure to procure construction services following applicable laws, codes, and rules, the cost could be very substantial because of the large amount of funding used for school construction.

Estimated Program or System Cost Avoidance from Section Functions:

See School Finance Summary

Estimated Alternative Costs if the Section Functions or Programs were not performed:

See School Finance Summary

Summary of Costs and Benefits:

See School Finance Summary

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance, Data Steward and Research Consultant

Description of Section Functions, Programs and Statutory provisions fulfilled:

- **Data Steward**: Oversee how pupil and teacher data specific to School Finance is defined, collected, stored, shared and reported. Work with D & S and IT staffs to provide context for the funding implications of technical decisions guiding what data is collected, reported, and analyzed. Assist D & S, IT, and Licensing staff in reviewing quality of student level data in UTREx and teacher data in CACTUS. Respond to school finance data requests.
- **Compliance Monitoring**: Collect, review and analyze independent student membership and fall enrollment audit reports of each LEA. Conduct CTE membership compliance audits for a third of LEAs each year. Provide technical assistance to LEAs about pupil accounting. Make recommendations for adjustments to data based on findings.
- **Allocate Program Funds**: Maintain ESEA allocation spreadsheet for Title I, Title IIA, Title III program funds. Verify and organize data to support allocation and provide to Federal Programs Section to use in Utah Consolidated Application. Administer Necessarily Existent Small Schools Program including application process, and maintenance of regression formulas to compute NESS Size and WPUs.

State and/or Federal Regulatory Functions Performed by the Section:

- Maintains School Finance's portion of the State Administrative Board of Education Rule R277-419 Pupil Accounting which establishes standards for student membership data that is the basis for determining Weighted Pupil Units in the Minimum School Program as established in Utah Code 53A-17a-106.
- Maintain School Finance's portion of the State Administrative Board of Education Rule R277-486 Professional Staff Cost Program which establishes eligibility criteria and provides a mapping of technical data to the statutory formula established in Utah Code 53A-17a-107
- Maintain School Finance's portion of the State Administrative Board of Education Rule R277-445 Classifying Small Schools as Necessarily Existent which establishes standards and eligibility criteria for schools to receive funding under regression formulas established by the board and authorized by Utah Code 53A-17a-109
- Maintain School Finance's portion of the State Administrative Board of Education Rule R277-110 Legislative Supplemental Salary Adjustment and Utah Code 53A-17a-153 which outline educator categories eligible for salary increases.
- Maintain School Finance's portion of the State Administrative Board of Education Rule R277-459 Classroom Supplies Appropriation.
- Maintain School Finance's portion of the Utah Code 53A-11-301 by identifying how many WPUs to withhold from LEAs who have students who have not complied with the state immunization laws.
- Maintain School Finance's portion of the State Administrative Board of Education Rule R277-484 Data Standards which establishes timelines for data submissions often required for the timely distribution of funds

State and/or Federal Reporting Requirements Performed by the Section:

- Report (each spring) to U.S. Department of Education: State “Rural” Definition, Average Daily Attendance, Populations Density for Federal Eligibility determination of Rural Education Achievement Program (REAP) grant awards.
- Report in November to the Utah Department of Health: Immunization Status Report of WPU to be decremented for noncompliance.
- Report to Utah State Auditor’s Office in the spring: changes to the State of Utah Legal Compliance Audit Guide APP C-5
- In December, compile school finance data to report to Governor and Legislature: Superintendent’s Annual Report (53A-1-301)
- By December 15 report School District Boundaries changes to US census School District Review Program
- -INTERNAL- Reporting Timeline
- Report in July and November to the MSP program Specialist: Year End MSP input data, Professional Staff FTEs, Educator Salary Adjustment FTEs, Classroom Supplies and Materials FTEs
- Report in spring, summer, and fall to Federal Programs department: ESEA allocation updates.
- Report in March to CTE financial coordinator CTE membership Audit findings

Benefits Provided by Program or Section:

- Minimum School Program (MSP) funds are distributed to LEAs on the basis that the Weighted Pupil Unit formula has been computed using accurate data. Allocation is as equitable and accurate as possible. LEAs are funded on the principle that state funds follow the student.
- LEAs are supported in recruiting and retaining highly educated and experienced educators for instructional, administrative, and other types of professional employment in public schools. Classroom teachers are directly supported in providing school supplies, materials or field trips to their students.
- Policy makers, LEAs, and other stakeholders are kept up-to-data and informed of funding implications and technical merits of data collection tools and methodologies.
- Funding-driven policy decisions are based on credible source data and informed by correct interpretation and context. Minimal adjustments are made to allocations because underlying data has been collected and applied in a way that supports the intent of the law.
- Student membership and fall enrollment data reported to USOE meet the standards of reliability and validity of official records of daily student attendance as required under Board rules (R277-419, R277-484) and USOE data specifications and validation rules.
- Educator data is used in accordance with state statute and rules (53A-17a-107, 53A-17a-153, r277-110, r277-486, etc.) which establish funding formulas and outline the distribution processes as determined by established eligibility criteria.
- Ensure a meaningful and continuous process that focuses on the verification of student membership data for the allocation of MSP funding.
- Ensure compliance with State Board, Utah State Code, and Federal rules and regulations.
- LEAs are supported in the process of evaluation and improvement of fiscal compliance and program effectiveness.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

- State Education Funds
 - Federal Funds
 - Other (Describe): Office supplies and hardware
- Total Funding

See School Finance Summary

Section Costs:

- Personnel Costs
 - Travel Expenses
 - Current Expenses
 - Other Charges (Supplies and hardware)
- Total Costs

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Implications if the Section were not to provide the above noted functions or programs:

- Compromised Data quality leads to compromised funding process
- No transparency
- No trust

Estimated Program or System Savings from Section Functions:

See School Finance Summary

Estimated Program or System Cost Avoidance from Section Functions:

See School Finance Summary

Estimated Alternative Costs if the Section Functions or Programs were not performed:

See School Finance Summary

Summary of Costs and Benefits:

See School Finance Summary

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 1 of the 2013 Legislature)**

Section: School Finance - Minimum School Program

Description of Section Functions, Programs and Statutory provisions fulfilled:

One of the functions of the School Finance (SF) Section is the allocation of Minimum School Program (MSP) funds for Utah's forty-one school districts and eighty-five charter schools in accordance with the statutes and administrative rules governing the Public Education System. For FY13, approximately \$3.41 billion MSP funds will be distributed. There are approximately 46 line items in the Minimum School Program and each line item has a unique distribution method based on either Utah code or State Board rule.

Section personnel create the MSP budget in BASE, the Utah State Office of Education's (USOE) accounting system, in order to distribute the MSP funds in an appropriate manner. Accountability is ensured in following all local, state, and federal authority in distributing these funds. Section personnel create the MSP files and publish them both on the Internet so local education agencies (LEA) know what their monthly allotment will be. Questions from LEAs, regarding their distribution, are answered.

School Finance personnel provide professional development during three conferences that are held during the year. SF personnel also provide technical assistance to LEAs on the school finance process anytime throughout the year.

Interaction is made between the Utah State Office of Education (USOE), the State Tax Commission personnel, county assessors, auditors, treasurers, and school district business officials to develop estimated assessed valuations, redevelopment agency tax increments and associated valuations, and tax collections to determine school district tax levy proceeds and the amount of state guarantee funds.

During the legislative process, SF personnel also provide the Legislative Fiscal Analysts (LFA) office with fiscal note impact information for education-related bills that the LFA uses as a resource in developing final Legislative Fiscal Notes.

State and/or Federal Regulatory Functions Performed by the Section:

- 1) Enforce Utah Constitution Article X, Section 2 – defines that the public education system shall include all public elementary and secondary schools and such other schools and programs as the Legislature may designate. And states that all public elementary and secondary schools shall be free, except the Legislature may authorize the imposition of fees in the secondary schools.
- 2) Enforce Utah Constitution Article X, Section 3 – vests general control and supervision of the public education system in the State Board of Education.
- 3) Enforce Utah Constitution Article X, Section 5 – defines where the funds for the State School Fund and the Uniform School Fund will come from.
- 4) Enforce 53A-1a-513 – Funding for charter schools.
- 5) Rule R277-470 – Charter Schools

- 6) Enforce 53A-1a-1001 – UPSTART – a home-based educational technology program to develop school readiness skills of preschool children.
- 7) Enforce 53A-2-206 – Interstate compact students – Inclusion in attendance count – Funding for foreign exchange students.
- 8) Enforce 53A-15-101 – Higher Education Courses in the Public Education System.
- 9) R277-703 – Centennial Scholarship for Early Graduation.
- 10) Enforce 53A-15-104 - Critical Languages Program.
- 11) R277-488 – Critical Languages Program.
- 12) Enforce 53A-15-105 – Dual Language Immersion Program.
- 13) Enforce 53A-16-101 et seq. – Provides for State Financing of Public Education – including 53A-16-101.5 which provides for fund allocations and reporting requirements for the School LAND Trust Program.
- 14) R277-477 – Distribution of funds from the Interest and Dividend Account (School LAND Trust Funds) and Administration of the School LAND Trust Program.
- 15) Enforce 53A-17a-101 et seq. – Chapter 17a “Minimum School Program” requires the State Board of Education to administer MSP programs.
 - a. Rule R277-110—Legislative Supplemental Salary Adjustment.
 - b. Rule R277-407—School Fees.
 - c. Rule R277-422—State Supported Voted Leeway, Local Board-Approved Leeway and Local Board Leeway for Reading Improvement Programs.
 - d. Rule R277-423—Delivery of Flow-Through Money.
 - e. Rule R277-424—Indirect Costs for State Programs.
 - f. Rule R277-436—Gang Prevention and Intervention Programs in the Schools.
 - g. Rule R277-437—Student Enrollment Options.
 - h. Rule R277-445—Classifying Small Schools as Necessarily Existent.
 - i. Rule R277-459—Classroom Supplies Appropriation.
 - j. Rule R277-460—Distribution of Substance Abuse Prevention Account.
 - k. Rule R277-467—Distribution of Funds Appropriated for Library Books and Electronic Resources.
 - l. Rule R277-470—Charter School Financial Practices and Training.
 - m. Rule R277-478—Block Grant Funding.
 - n. Rule R277-484—Data Standards.
 - o. Rule R277-485—Loss of Enrollment.
 - p. Rule R277-486—Professional Staff Cost Program.
 - q. Rule R277-489—Early Intervention Program.
 - r. Rule R277-490—Beverly Taylor Sorenson Elementary Arts Learning Program.
 - s. Rule R277-492—Utah Science Technology and Research Initiative (USTAR) Centers Program.
 - t. Rule R277-504—Early Childhood, Elementary, Secondary, Special Education (K-12), Communication Disorders, Speech-Language Pathologist and Speech-Language Technician, and Preschool Special Education (Birth-Age 5) Licensure.
 - u. Rule R277-600—Student Transportation Standards and Procedures.
 - v. Rule R277-601—Standards for Utah School Buses and Operations.
 - w. Rule R277-612—Foreign Exchange Students.
 - x. Rule R277-703—Centennial Scholarship for Early Graduation.
 - y. Rule R277-706—Public Education Regional Service Centers.
 - z. Rule R277-708—Enhancement for At-Risk Students Program.
 - aa. Rule R277-709—Education Programs Serving Youth in Custody.
 - bb. Rule R277-713—Concurrent Enrollment of High School Students in College Courses.

- cc. Rule R277-725—Electronic High School.
- dd. Rule R277-733—Adult Education Programs.
- ee. Rule R277-735—Corrections Education Programs.
- ff. Rule R277-750—Education Programs for Students with Disabilities.
- gg. Rule R277-751—Special Education Extended School Year.
- hh. Rule R277-911—Secondary Career and Technical Education.
- 16) Enforce 53A-21 et seq. – Public Education Capital Outlay Act.
- 17) Enforce 59-2-902 – Minimum Basic Tax Levy for School Districts.
- 18) Enforce 59-2-905 – Legislature to set Minimum Rate of Levy for State’s Contribution to Minimum School Program.
- 19) Enforce 59-2-906 – Rates Fixed by Commission Valid.
- 20) Enforce 59-2-919 – Notice, Public Hearing, and Resolution Requirements for Certain Tax Increases.
- 21) Enforce 59-2-924 – Report of Valuation of Property To county Auditor and Commission

State and/or Federal Reporting Requirements Performed by the Section:

Although there aren’t any statutorily required requirements for reporting the MSP funding allocations, the USOE issues monthly allotment memos that tell the LEAs how much their budgets are in the 40 state funded programs. These allotment memos also let the LEAs know how much federal and other state funding they are to receive. SF personnel also publish the MSP funding spreadsheets to the internet.

Through the BASE accounting system, we are able to give the LEAs yearly reports to show how much funding the LEA has actually received.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$199,488
• Federal Funds	\$
• Other (Describe):	\$
Total Funding	<hr/> \$199,488

Section Costs:

• Personnel Costs (2 FTEs)	\$199,488
• Travel Expenses	\$
• Current Expenses	\$
• Other Charges	\$
Total Costs	<hr/> \$199,488

Implications if the Section were not to provide the above noted functions or programs:

The LEAs would not receive their MSP funding and could not provide educational services to over 600,000 students.

Estimated Program or System Savings from Section Functions:

\$365,846 - see attached spreadsheet.

Estimated Program or System Cost Avoidance from Section Functions:

\$521,100 – see attached spreadsheet.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

\$531,855 – see attached spreadsheet.

Summary of Costs and Benefits:

Gross Benefits	\$886,946
Net Cost Savings and Avoidance (Net Benefit)	\$692,175
Net Benefit per Dollar Spent	\$3.55
ROI	455.4%
Benefit/Cost	4.5

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance

See attached reports for: Online Courses, Transportation, School Finance Auditors, School Finance Data Steward, various construction functions and the Minimum School Program. Fund sources and expenditures are included in this document for these and the other school finance functions.

Description of Section Functions, Programs and Statutory provisions fulfilled:

The School Finance Section is responsible for the calculation and distribution of over \$3 billion in State education funds, and the administration of some multi-million dollar programs. This is made possible by the tracking, collection, analysis, auditing and reporting of student-level, teacher-level, transportation, construction and financial data according to state and federal law, and national mandates. Staff members are experienced, well-educated in their respective areas of expertise, and willing to share their time and expertise with those from the public and private sectors.

State and/or Federal Regulatory Functions Performed by the Section:

See attached.

State and/or Federal Reporting Requirements Performed by the Section:

See attached.

All School Finance Programs:

Analysis of information for Fiscal Notes
Analyses for various public and private sector entities.
Submission of financial reports to federal agencies.
Distribution of state funds according to State law and USBE Rule.
Oversight of various programs.
LEA and other staff training.
Working with IT staff to automate the Minimum School Program

Benefits Provided by Program or Section:

See attached.

All School Finance Programs

- School Finance personnel with expertise in their respective fields provide LEA training, professional development and support free of charge
- Assistance, hardcopy and online reports are provided to public and private entities free of charge, with the exception of some GRAMA requests.
- School Finance staff provides expertise at costs lower than similar private industry positions

- Coordination with other state agencies lends expertise and address changes over time
- Policy makers, LEAs, other stakeholders and the public are apprised of funding implications and the technical merits of financial and statistical data collection tools and methodologies
- Analysis of scenarios and preparation of information for Fiscal Notes

FY13 Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 1,353,766
• Federal Funds	<u>16,770</u>
Total Funding	<u>\$ 1,370,536</u>

Section Costs:

• Personnel Costs	\$ 1,243,515
• Travel Expenses	\$ 16,350 (state & fed)
• Current Expenses	\$ 100,671
• Other Charges	<u>\$</u>
Total Costs	<u>\$ 1,370,536</u>

Estimated Program or System Savings from Section Functions:

School Finance staff provides expertise at average costs (\$43 per hour FTE including benefits) lower than similar private industry (\$43-\$150 per hour) positions for its various functions resulting in savings of \$2.4 million.

Estimated Program or System Cost Avoidance from Section Functions:

Millions in school construction and LEA financial compliance alone.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

The School Finance section has fourteen experienced FTEs at the average cost of \$43/hour including benefits, or private at \$43-\$150/hour results in a savings of \$2.4 million. In addition, efficiencies are experienced as staff from various sections is able to coordinate and communicate LEA and legislative issues that may arise, and prepare for the future. For example, changes in federal Special Education definitions prompt collection, reporting and enforcement changes, within the construct of federal and state legal compliance.

Summary of Costs and Benefits:

Benefits \$2.4 million - \$50.0 million

Costs	\$1.37 million
Benefit/Cost	2.0 – 50.0

Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)

Section: School Finance
Program: Pupil Transportation

Description of Section Functions, Programs and Statutory provisions fulfilled:

Pupil transportation personnel have oversight of the safe and efficient to-and-from school transportation of approximately 190,000 students. These students are transported on 2,821 school buses with 3,047 certificated school bus drivers. Drivers receive 40 hours of original certification, 8 hours of annual In-service, and 4 hours of recertification from 102 certificated instructors who provide state generated curriculum according to State Standards for Utah School Buses and Operations. These instructors are certified in a five day course, and are required to complete one day of recertification each year. This instructor certification and recertification is provided by personnel each year.

The school buses are maintained and inspected under the same standards. The Standards are developed by the pupil transportation staff in concert with school district representatives, industry experts and national agencies and organizations. Approximately every five years these standards are approved by the Utah State Board of Education and the Utah Department of Transportation.

Pupil transportation personnel provide training, certification and professional development for directors, supervisors, instructors, bus shop technicians, and bus routing coordinators. They also provide pupil transportation technical assistance to superintendents, business officials, directors, supervisors, instructors, drivers, government officials and the general public.

Auditing of all aspects related to safe and efficient pupil transportation is conducted by pupil transportation personnel.

Personnel facilitate a statutory transportation advisory committee with representation from school superintendents, business officials, and school districts transportation supervisors to address transportation needs including recommended approved bus routes.

1)

State and/or Federal Regulatory Functions Performed by the Section:

Utah Code for Utah School Buses and Operations mirror the many requirements of Title 49 in the Code of Federal Regulations, and the Federal Motor Vehicle Safety Standards of the Federal Motor Carrier Safety Administration.

41-6a-1304 School buses – Rules regarding design and operations.

53-8-211 Safety Inspection of school buses and other vehicles

53A-1-402 Board to establish minimum standards for public schools

53A-17a-126 State support of pupil transportation

53A-17a-127 Eligibility for state-supported transportation – Approved bus routes

State and/or Federal Reporting Requirements Performed by the Section:

Pupil transportation personnel collect data and prepare reports according to the requirements of the following state statutes and administrative rules:

- Pupil Transportation Schedule A1 Report 53A-17a-127 (3)(a)(i) &(ii), R277-484-3 (I)(a)
- Pupil Transportation Schedule B Report 53A-17a-127 (4)(b), R277-484-3 (I)(b)
- Pupil Transportation Schedule C Report 53A-17a-127 (3)(c), R277-484-3 (E)(9)(b)
- Pupil Transportation Schedule D Report 53A-17a-127 (3)(c), R277-484-3 (E)(9)(b)
- Pupil Transportation Schedule E Report 41-6a-1304, R277-484-3 (L)(2)
- Pupil Transportation Schedule F Report 53A-17a-127 (3)(c), R277-484-3 (E)(9)(a)

Benefits Provided by Program or Section:

Safe and efficient pupil transportation of approximately 190,000 students to and from school, and approximately 500,000 school children as needed to and from activity and field trips.

Studies conducted by the American School Bus Council indicate:

- Over \$40 million are saved annually by transporting our Utah School Children on school buses.
- Over 11 million gallons of fuel are saved each year, with over 86,000 fewer vehicles on the road.
- With each bus replacing 36 vehicles, traffic congestion is reduced and harmful particulate matter is reduced by thousands of pounds.
- Nationally for every 32,500 children transported, one life is saved each year. In Utah, that is at least five lives each year.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$333,218
• Federal Funds	
• Other (Describe): Office supplies and hardware	_____
Total Funding	\$333,218

Section Costs:

• Personnel Costs	\$319,987
• Travel Expenses	\$ 2,958
• Current Expenses	\$100,671
• Other Charges (Supplies and hardware)	_____
Total Costs	\$333,218

Implications if the Section were not to provide the above noted functions or programs:

Families of over 32,000 students would need to provide other transportation for their students. Statewide, dollars would flow to less efficient transportation methods, resulting in a net decrease of household disposable income, and an increase in traffic congestion, pollution, property costs, accidents, and missed class time for late arrivals.

Estimated Program or System Savings from Section Functions:

\$40 million in fuel and maintenance costs.

Estimated Program or System Cost Avoidance from Section Functions:

\$5 million loss of life.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

Benefit/Cost:

1 - 300

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Finance

Program: Statewide Online Education Program

Description of Section Functions, Programs and Statutory Provisions Fulfilled:

- 53A-15-1201 et seq. - Enables eligible 9-12th grade students to earn high school graduation credit through publicly funded online courses.
- 53A-1a-104 (9) - The public education system uses technology to improve teaching and learning processes and for the delivery of educational services.
- 20 U.S.C. §1232h; 20 U.S.C. §1232g; 34 CFR Part 99 - Protecting privacy of student education records and specifically individually identifiable information including student or parent's first and last name; home or other physical address including street name and the name of the city or town, and telephone number. Enrollment records contain these elements plus special education and fee waiver status, and require secure storage and transmission.
- JR4-2-403 – Assists Office of Legislative Fiscal Analyst in carrying out its responsibility to review and analyze the legislation to determine its fiscal impact.

State/Federal Regulatory Functions Performed by Section:

- 53A-15-1210 - Direct Providers to administer state-designated assessments consistent with R277-404 and R277-473 for identified courses using LEA-adopted and state-approved assessments.
- 53A-15-1213 - Establish procedures for the administration of a statewide assessment to a student enrolled in an online course.
- 53A-15-1006(2); 53A-15-1204(1) (b) - Determine space available standards and appropriate course load standards for online courses.
- 53A-15-1213; 53A-15-1208; 53A-15-1206.5 – Establish and administer a “Course Credit Acknowledgement” process allowing students to enroll in online courses.
- 53A-15-1209 – Establish and administer pupil membership rules allowing that student may not count as more than one FTE for funding purposes, unless the student intends to complete high school graduation requirements, and exit high school early, in accordance with the student's education/occupation plan (SEOP), for purposes of this program.
- 53A-15-1209 - Establish process ensuring that, except as provided in Subsection (5), a student enrolled in an online course may earn no more credits in a year than the number of credits a student may earn in a year by taking a full course load during the regular school day in the student's primary LEA of enrollment, unless this is allowed by the school district or charter school by means of an approval process.
- 53A-15-1206; 53A-15-1206.5; 53A-15-1207 - Withhold funds from primary LEAs of enrollment and make payments to Providers.
- **53A-15-1202(2) Provide for enrollment of Home and Private School students to earn high school graduation credit through publicly funded online courses. Provide for payment of fees associated with Home and Private School student enrollment in publically-funded online courses.**
- 53A-15-1204(3) - Administer an appeals process for students who request more online courses than specified in law and who are first denied by their primary LEA or school of enrollment.
- 53A-15-1207; 53A-15-1208; 53A-15-1216 - Refuse to provide funds under a CCA if the Board finds that information has been submitted fraudulently or in violation of the law or Board requirements.

- 53A-15-1207; 53A-15-1208; 53A-15-1216 - Receive, investigate complaints and impose sanctions, if appropriate, regarding course integrity, financial mismanagement, enrollment fraud or inaccuracy, or violations of the law or this rule specific to the requirements and provisions of this Program.
- 53A-15-1203(3)(b) - Provide high quality learning options for a student regardless of language, residence, family income, or special needs.
- 53A-15-1208(3); 53A-15-1206; 53A-15-301 - Facilitate oversight of and compliance with IDEA or Section 504 provisions for students taking online courses.
- 53A-15-1216 - Audit an LEA's or Program participant's compliance with any requirement of state or federal law or Board Rule under the Program.
- 53A-15-1216 - Impose penalties, withhold funds, or sanction Program participants for participants' failure to comply with reasonable requests for records or information.

State/Federal Reporting Requirements Performed by Section:

- 53A-15-1211(2)(a) - Scores aggregated by test on statewide assessments administered under Chapter 1, Part 6, Achievement Tests, taken by students at the end of an online course offered through the Statewide Online Education Program.
- 53A-15-1206(4)(c); 53A-15-1211(2)(b) - Percentage of the online course provider's students who complete online courses within the applicable time period.
- Percentage of the online course provider's students who complete online courses after the applicable time period specified in Subsection 53A-15-1206(4)(c) and before the student graduates from high school (53A-15-1211(2)(c)).
- 53A-15-1211(2)(d).Pupil-teacher ratio for the combined online courses of the online course provider.
- JR4-2-403 – Provides requested factual input and analysis to Office of Legislative Fiscal Analyst as it reviews legislation to determine its fiscal impact.

State/Federal Reporting Requirements Performed by Section:

- 53A-15-1211(2)(a) - Scores aggregated by test on statewide assessments administered under Chapter 1, Part 6, Achievement Tests, taken by students at the end of an online course offered through the Statewide Online Education Program.
- 53A-15-1206(4)(c); 53A-15-1211(2)(b) - Percentage of the online course provider's students who complete online courses within the applicable time period.
- Percentage of the online course provider's students who complete online courses after the applicable time period specified in Subsection 53A-15-1206(4)(c) and before the student graduates from high school (53A-15-1211(2)(c)).
- 53A-15-1211(2)(d).Pupil-teacher ratio for the combined online courses of the online course provider.
- JR4-2-403 – Provides requested factual input and analysis to Office of Legislative Fiscal Analyst as it reviews legislation to determine its fiscal impact.

Benefits Provided by Program or Section:

- Access to: online learning options for 9-12th grade students; high quality learning options for a student regardless of language, residence, family income, or special needs; technology to customize education to allow a student to learn in the student's own style at own pace; technology skills, both in delivery and course content; competency-based instruction, assessment and completion of high school credit (especially useful for students attempting to

graduate early); individualized educational experience; technology to remove the constraints of traditional classroom learning (useful for students that cannot attend on traditional basis given illness, sports involvement, distance, professional commitments).

- Expanded: ability of students to customize their schedule to better meet the student's academic goals; options to prepare a student for post-secondary education and vocational or career opportunities.
- More efficient allocation of educational resources, especially useful for rural districts and those that might find it difficult to staff low-enrollment courses and to find highly qualified teachers for all courses.
- Progress to Date (1/21/14)
 - 2210 Enrollment requests facilitated as of 1/21/14 (mid- year, FY14):
 - 1596 unique students
 - 2086 credits requested, equivalent to 8344 quarter credits
 - 289 unique courses requested
- LEA staff (Charter School Business Managers and School Leaders, LEA Data Administrators, Registrars and Guidance Counselors, Curriculum Directors, Directors of Online Learning) trained in program statutes and applicable board rule.

Implications if Section were not to provide noted functions or programs:

- LEAs would be required to retain Program Specialist or increase duties of existing personnel to manage online course-level enrollments.
- LEAs would incur costs related to data storage and secure transmission.
- LEAs would be required to maintain business functions related to invoicing and payment distribution course-wise (multiple Provider LEAs, 139 Primary LEAs) corresponding to progress in course-level enrollments (multiple payments collected and disbursed per each enrolled credit).
- LEA personnel would require alternative means of being trained in changes in program statutes and State Board of Education Administrative Rules as these affect LEA activities and compliance.
- No entity would be empowered to receive and investigate complaints and impose sanctions regarding course integrity, financial mismanagement, enrollment fraud or inaccuracy, or violations of law or rule specific to: (a) requirements and provisions of this Program; (b) compliance with IDEA or Section 504 provisions for students taking online courses; (c) LEA's or Program participant's compliance with any requirement of state or federal law or Board rule under the Program; (d) failure to comply with reasonable requests for records or information.
- Administration of and accountability for required tests would be difficult or absent, without means for USOE to understand where and under what circumstances cooperating LEAs are (in real time) providing services to students.
- Fraud and error in payment would not be unavoidable, as USOE has the ability to check enrollment within each cooperating LEA, and to verify that students meet program requirements to be funded for online courses under program statutes, whereas a single LEA does not, nor could a contracted entity. USOE also has the unique ability to verify that some proportion of credit has been earned and reported to USOE for a course, before disbursement of funding, and to verify that funding requests are not submitted fraudulently.
- It is difficult if not impossible to envision a program providing choice of online services *administered by LEAs* to students across more than 100 charter and traditional LEAs without a central system for exchanging data, and payment, and a central secure data storage system accessible to LEA personnel. An entity other than USOE could only carry out cross-billing of LEAs similarly to the operation of a banking clearinghouse, because by statute MSP funds flow first to

the LEA, and outward for payments from that point. USOE has the statutory responsibility of receiving MSP allocations on behalf of LEAs, and re-allocating funds based on service provision - without necessity for cross billing and cross settlement. Most significantly, student data must be securely transmitted from LEA to LEA. Economies of scale effectively exist where a central entity that provides a secure data storage system accessible by personnel from all LEAs (and double at Provider LEAs, which also act as a Primary LEA to its own participating students) can provide necessary safeguards to students, and comply with federal regulations regarding security of student data. USOE can accomplish both functions at a cost extraordinarily lower than either (a) LEAs acting either alone or together, or (b) a commercial or contracted entity.

- Rural (low population) LEAs and Charter Schools may experience a higher relative increase in administrative costs encompassed in replacing services of USOE.

Source and Amount of Funding	
State Education Funds	\$250,000
Federal Funds	-
Other (Describe)	-
Total Funding	\$250,000
Costs	
Personnel	80,438
Travel	1,367
Current	10,953
Other (Indirect)	12,522
Total Program Costs	\$94,621
Estimated Program or System Savings from Section Functions	
Approximate Cost Avoidance	\$3,940,041
Cost of FTEs for (a) online enrollment specialist and (b) accounting technician for each LEA having 9-12 th grade enrollment, prorated by level of enrollment overall; (c) secure data storage and transmission from LEA to LEA. FTEs valued using Utah Dept. of Human Resources Salary Schedules. (above)	
Savings	\$398,307
Estimated Alternative Costs (Savings) if the Section Functions or Programs were not Performed (traditional classroom delivery or external provider). (above)	
Total System Savings from Section Functions	\$4,338,348
Gross Benefits	4,338,348
Net Cost Savings and Avoidance (Net Benefit)	4,088,348
Net Benefit per Dollar Spent	\$16.35

ROI	1,635%
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**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: Career and Technical Education

Description of Section Functions, Programs and Statutory provisions fulfilled:

Functions

The Career and Technical Education section provides leadership, service and accountability for programs that prepare learners for life, work and careers. Career and technical education (CTE) provides students with rigorous and coherent content that includes: (1) technical skills and knowledge necessary to succeed in careers, (2) workplace basics necessary for success in any occupation or career (such as communication skills, problem-solving, teamwork, the ability to use technology, and the ability to find and use information), and (3) real-world contexts in which academic skills can be made more relevant to students. CTE is a critical component of the total education and workforce development system in Utah. CTE is essential to the state's ability to prepare and sustain a skilled workforce and compete in a global economy.

The purpose of Career and Technical Education (CTE) is to ensure that every student has the opportunity to explore career areas that will equip him or her with the academic knowledge, technical and employment skills vital for entry into the evolving workforce of the 21st century. CTE is an essential component of the total educational system in Utah and is critical to the state's ability to compete in a global economy. Career and Technical Education activities include:

- Introduce students to career options
- Assist in development of career goals
- Provide technical skills
- Provide occupation-specific skills
- Prepare students for further education and training
- Create Pathways to success for every secondary student by providing him or her with the technical skills and academic knowledge needed to prepare for future employment and/or a successful transition to post-secondary education
- Provide students with technical training to prepare for a successful career. The structured training each student receives gives them the tools needed to be successful in a career after high school and/or further his or her post-secondary education, whether technical school, two-year college, or four-year college. Each student is encouraged to explore various CTE Pathways and to develop the essential skills to enter today's competitive job market with confidence
- Provide courses and pathways consistent with industry standards. Exploratory courses begin in the seventh grade, and subsequent courses teach students specific job readiness and job skills, which can lead to employment and post-secondary education

The Career and Technical Education state staff provide leadership, service and accountability to ensure quality programs. Functions of the section include:

- Oversee the administer \$12 million federal Carl Perkins Career and Technical Education Act
- Oversee the administration of state CTE funding to districts
- Leadership and management of the CTE programs
- Compliance with state law, federal law and Utah State Board policy
- Work with Utah State Board of Education, legislators, and state agencies
- Establish standards in collaboration with the Department of Workforce Services, business and industry, post-secondary institutions, and the Office of Economic Development
- Provide professional development to 2,500 CTE teachers annually
- Provide leadership and technical assistance to 40 school districts, 109 high schools, 142 middle/junior high schools, and charter schools.
- Conduct bi-monthly meetings with the CTE district and higher education directors
- Conduct monthly meetings with the CTE consortium
- Oversee coordinators, specialists, and support staff
- Establish policy and standards for programs
- Develop curriculum resources
- Provide reports to the legislature regarding secondary CTE
- Web pages maintained for LEAs
- Provide information resources to high school students, parents, and counselors
- CTE Directors information and web page information
- Assist educators in obtaining CTE secondary teaching licenses and CTE endorsements.
- Establish and maintain High School to College and Career Pathways with post-secondary institutions linking high school programs to post-secondary programs culminating in certificates or degrees
- Coordinate the CTE Student Organizations
- Management of the federal provisions of Civil Rights for Carl D. Perkins Federal Vocational Act
- Sserve as liaisons to state and national professional organizations and university programs
- Aassist with teacher preparation
- Manage teacher licensure and endorsements in CTE areas
- Provide ability for students to earn certifications

CTE Pathways include the following four key elements:

1. **Content and Standards – This allows students to...**
 - a. Recognize connections between academic and technical content
 - b. Demonstrate mastery of academic and technical content that is aligned with industry standards
 - c. Build confidence to compete for high skill, high wage, high demand occupations
 - d. Apply learning through authentic experiences

2. **Alignment and Articulation - This allows students to...**
 - a. Never need to take a remedial course
 - b. Continually progress in knowledge and skills when ready
 - c. Earn high school or college credit based on performance
 - d. Make the connection between educational preparation and entry into a career

3. **Accountability and Assessment - *This allows students to...***
 - a. Monitor their own progress through their demonstration of attaining standards
 - b. Demonstrate their technical and academic proficiency in meaningful ways
 - c. Adapt their program to meet their personal goals based on industry requirements

4. **Student Support Services - *This allows students to...***
 - a. Identify the career path options they can follow to a chosen career
 - b. Receive reliable information about careers and possible financial options for postsecondary education
 - c. Take ownership of their education through maintaining a current education plan and/or portfolio

Programs

- Agricultural Education: *Encompasses agricultural business and management, agricultural engineering, animal science, and horticulture.*
- Business Education: *Encompasses accounting, administrative procedures/office support positions, banking and finance, business computer technology, communications, and Web page design.*
- Family and Consumer Sciences Education: *Encompasses child development/child care, food and nutrition, food services/ culinary arts, hospitality, interior design, and fashion design.*
- Health Science Education: *Encompasses biotechnology, dental assisting, emergency medical technician, medical assisting, nurse assisting, and pharmacy technician.*
- Information Technology Education: *Encompasses database development, digital media, network design, programming and software engineering, technical support, and Web development.*
- Marketing Education: *Encompasses advertising and promotion, e-commerce marketing, fashion merchandising, sports and entertainment marketing, and travel and tourism.*
- Skilled and Technical Sciences Education: *Encompasses a wide range of trades including auto mechanics, carpentry, commercial art and photography, commercial aviation, cosmetology and barbering, drafting, fire science, law enforcement, and welding.*
- Technology and Engineering Education: *Encompasses materials, processes, and technologies used in manufacturing, construction, transportation, communication, and engineering-related technologies.*
- CTE Introduction Program: *provides junior high students with the direction, decision making, and planning needed in order to select their career path. Self-knowledge, Education and occupation exploration, and career planning are integrated through the curriculum.*
- Skill Certificate Program: *provides skill certificates in courses and programs in grades 9-12. The Skill Certificate exams verify skill attainment and, where available, industry exams are offered. This accountability system assures that all courses and programs in the state are consistently teaching to the standards established by experts in that occupational area.*
- Work-based Learning: *provides students opportunities to see how classroom instruction connects to the world of work and future career opportunities through internships/apprenticeships, job shadowing, career fairs/guest speakers, field studies and clinical work experiences.*
- Career and Technical Student Organizations (CTSOs): *provide a unique program of career and leadership development, motivation and recognition exclusively for middle/junior high and secondary students enrolled in career and technical education programs. CTSOs develop and expand occupational competencies related to a particular career and technical subject*

matter and help students gain leadership skills making them more employable, preparing them to become productive citizens, and assisting them in assuming positive roles in the home and community.

Statutory Provisions Fulfilled

- Federal Carl Perkins Act requires administration of the funds for both secondary and higher education
- State law requires administration and approval of Career and Technical Education funding to LEAs including summer agriculture
- State Code 53A Chapter 1 Administration of Public Education at the State Level

[Criteria WPU for CTE](#)

[CTE Alternatives](#)

[WPU for State Set A Side](#)

Utah State Board of Education Rules

[R277-911. Secondary Career and Technical Education.](#) (Download the [RTF File](#))

[R277-914. Applied Technology Education \(ATE\) Leadership.](#) (Download the [RTF File](#))

[R277-915. Work-based Learning Programs for Interns.](#) (Download the [RTF File](#))

[R277-916. Technology, Life, and Careers, and Work-Based Learning Programs.](#) (Download the [RTF File](#))

[R277-462. Comprehensive Counseling and Guidance Program.](#) (Download the [RTF File](#))

Federal Legislation

[Public Law 109-270](#) Carl D. Perkins Career and Technical Education, Reauthorized August 12, 2006

State and/or Federal Regulatory Functions Performed by the Section:

- Ensure career and technical education programs are in compliance with state and federal statute and policy
- Distribute federal funds to school districts, the Utah College of Applied Technology, and the Utah System of Higher Education institutions.
- Ensure quality programs through technical assistance to LEAs, UCAT and USHE.
- Development of programs in charter schools for CTE courses grades 7-12 and comprehensive guidance programming and funding
- Program monitoring for relevance, relationship to economy and rigor.
- Program and financial monitoring to ensure compliance and target accomplishment.
- Standard development and curriculum resource development with higher education and business and education
- Rigorous Pathway/Programs of Study development grades 7 through 16 through post-secondary programs with articulation and concurrent enrollment.
- Monitor and expand opportunities for students in nontraditional careers for males and females
- Reporting to the federal government data and targets and working with the grant recipients on targets and accountability measures.
- Fiscal monitoring of both state and federal adult education funds through reimbursement of qualified expenses.

- Program compliance monitoring assuring appropriate usage of state and federal funds through both desk audits and on-site program monitoring

State and/or Federal Reporting Requirements Performed by the Section:

The Utah State Office of Education uses a four-phased approach to maintaining program and performance accountability, including:

- Annual Membership Reporting
- Teacher qualifications
- Teacher/course/membership reporting
- State specialist review and approval
- On-site auditing
- Annual Self-Evaluation—Standards
 - Entered by teacher online – focus on standards
 - Summary report to USOE specialists/CTE directors
 - Used to develop in-service, technical assistance, goal setting, and program improvement
- On-Site Evaluation—Standards
 - Six-year cycle
 - Instructor self-evaluation
 - State specialist on-site evaluation
 - Feedback/improvement
 - Summary report
 - Improvement plan to address needs
 - Continuous improvement and follow-up
- Student Performance on Core Indicators
 - Academic and skill achievement (standardized tests for academic, skills tests for skills)
 - Completion (graduation)
 - Placement
 - Training for nontraditional careers

Evaluation and performance improvements that are data-driven, using targets, performance results, performance gaps, and continuous improvement plan. The section also provides extensive financial monitoring.

Reports are sent to the U.S. Department of Education annually regarding accountability measures of placement, completion, concentration, enrollment, etc of secondary and post-secondary programs.

Data is sent to USOE from the post-secondary institutions and LEAs regarding performance measures. The data is used to work with the local recipients on a continuous improvement plan.

Skill Certification exams are given to high school students at the end of each semester or end of course. Exams are given on line and data is given to students, teachers, school, district and state. Data provide information for teacher to improve their instruction and outcomes.

OCR site reviews are conducted through the section through provisions of the Federal Carl Perkins Education act. Reports are provide the institutions and provided the Federal Government.

Benefits Provided by Program or Section:

- Student preparation for careers and college work
- Accountability across the state in all LEAs
- Consistency of program standards implemented and maintained statewide
- Technical assistance as requested/required
- Maintenance of regulatory compliance
- Professional development available to all programs based on program needs and monitoring findings
- State collection and reporting of program data and outcomes
- Consistent standards aligned with needs of business and industry, post-secondary education and workforce projections.
- Unnecessary duplication of programs

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

State Education Funds MSP	\$ 1,918,700
Federal Funds (estimate)	11,421,833
State Funding Pass Through	9,538,167
Other (On line Testing CTE, flow through):	341,000
Total Funding	<hr/> \$ 23,219,700

Section Costs:

Personnel Costs	\$ 2,382,254
Travel Expenses	\$ 69,043
Current Expenses	\$ 468,756
Other Charges	\$ 606,822
Total Costs	<hr/> \$ 3,526,875

Implications if the Section were not to provide the above noted functions or programs:

- Loss of program accountability, relevance and rigor
- Potential for discrimination
- Loss of regulatory function and federal Perkins funds
- Loss of ability to meet Maintenance of Effort (MOE) for potentially awarded federal funds
- Loss of program continuity and ability for programs to best meet the needs of the state
- Loss of centralized accountability measures and data

- Potential for program funding inequities
- Potential for economic loss because Utah citizens will not be prepared for employment, post-secondary education and to meet the demands of business and industry

Estimated Program or System Savings from Section Functions:

- Non-duplicated services in CTE courses and pathways
- LEAs are not providing courses and programs that do not align in a CTE Pathway that leads to career and college.
- Consistency of all programs assuring that student needs and industry standards are met without wasted funding on programs not aligned to needs of post secondary education programs and needs of the workforce.
- When students are unprepared at high school graduation to enter the workforce or to enter post-secondary education they will be entering unprepared to earn a living wage creating situations where Utah citizens may require more public assistance and students may access post-secondary training which is another cost to tax payers and to the individual student.

Estimated Program or System Cost Avoidance from Section Functions:

- State less likely to meet Utah's Goal of having 66% of Utah's population with a post-secondary degree or certificated.
- Economic loss because of a poorly training workforce in high demand CTE occupations
- Loss in federal funds.
- Not in compliance with state and federal statutes.
- School districts unable to keep pace with changes in technology and needs of business and industry.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

- Forty one school districts and charter schools providing professional development for 2,500 teachers annually with staffing and programing at \$4 million annually.
- Loss of Federal funding for higher education, UCAT and public education \$12 million annually.
- Forty one school districts and charter schools establishing individual linkages with business and industry and Department of Workforce Services to establish and maintain CTE standards \$2 million annually.
- The Department of Workforce Services establishing staffing to meet the needs of 41 school districts individually \$2 million annually.
- The Utah College of Applied Technology and the Utah System of Higher Education additional staffing costs to meet the coordination and articulation needs with school districts would be 10 FTE at \$1.5 million annually.
- Forty one school districts and charter schools creating their own accountability system for industry certification would cost \$5 million annually.

Summary of Costs and Benefits:

Career and technical education programs provide skills for students to directly enter the workforce or articulate in a CTE Pathway into post-secondary education. One of the missions of CTE is to give students the skills they need to be in a productive career which has tremendous economic benefits to the state and to individual Utah citizens. The leadership, accountability and service the CTE section provides to meet these goal provide a coordinated, non-duplicated system with LEAs not needed to use their resources to coordinate professional development, establish standards, provide accountability measures and ensure quality.

Benefit/Cost: 8.15

**Benefit-Cost Report for Programs within USOE
(In compliance with S.B. 2 of the 2012 Legislature)**

Section: Information Technology

Description of Section Functions, Programs and Statutory provisions fulfilled:

The Information Technology Section at the Utah State Office of Education provides applications, support and network infrastructure to the USOE. IT collects data for and computes innumerable student, educator and school statistics including state and federal accountability reports. IT is directly or indirectly involved in all technology and data activity throughout the USOE. The IT section also provides the entire Web presence, network infrastructure and internet access for all the USOE sections and the state Superintendent.

The Utah State Office of Education Information Technology section develops, maintains and supports the following applications:

Accountability applications –

AYP, U-PASS, UCAS, Appeals app, AMAO Title III
Assessment system

Program applications –

CACTUS – Teacher licensing
PATI – Program Approval – CTE
SSID – Statewide Student ID
RIMS – Instructional Materials

LEA applications –

Aspire – Student Information System

Financial applications –

BASE, C8 – Accounting
Transportation – School bus information
APR & AFR – Annual Program & Annual Financial Reports
UPEFS – New collection for APR & AFR
Warehouse – Feed into financial calculations as well as Superintendent’s Annual

Report

YEWS – Year-End Web Survey
MSP – Minimum School Program

Federal reporting –

EdFacts / EDEN application – Federal data warehouse
TEDI – Special Ed Program C to B transition
Web applications and reports that fulfill state and federal requirements
Perkins

USOR –

IRIS – Integrated Rehabilitation Information System

USOE –

Website
UTREx – Student data collection infrastructure
Data Warehouse – UTREx data matched to assessment, College Board, higher ed, etc.
Network infrastructure and security

All activities of this section are directly linked back to state and federal requirements, such as:
State legislation:

- 53A-1 – Administration of Public Education at the State Level
- 53A-3 – Local School Boards (Accountability Reports)
- 53A-6 – Educator Licensing and Professional Practices Act (CACTUS, Online Renewals, University Recommends, TrueNorth Logic)
- 53A-11 – Students in Public Schools (UTREx infrastructure)
- 53A-14 – State Instructional Materials Commission (RIMS – Instructional Materials)
- 53A-17a – Minimum School Program Act (UTREx)
- 53A-24 – State Office of Rehabilitation Act (IRIS, BLISS, etc.)

Federal legislation:

- ESEA Sections: 1111(b)(2)(E-H); 1116(b)(c); 6213(b); 6224(e); 1114(a)(1); 1003(a); 1117(c)(2)(A); 2141; 6123; 1003(g); 4201(b)(1)(A); and 4204(b)(2)(A) – No Child Left Behind accountability reporting, EdFacts (electronic federal extracts/reports - some 100+ files)
- PL 107-110, The Elementary and Secondary Act, Part A, Subpart 1, SEC. 1111. STATE PLANS. (h) REPORTS. (C) REQUIRED INFORMATION – UTREx incident data
- Carl D. Perkins Career and Technical Education Improvement Act of 2006, Section 113 Accountability (b)(4)(C): categories of students described in section 1111(h)(1)(C)(i) of the Elementary and Secondary Education Act of 1965 – UTREx & PATI

State and/or Federal Regulatory Functions Performed by the Section:

- Collecting and reporting state and federal data

State and/or Federal Reporting Requirements Performed by the Section:

All state and federal reports that require student and/or teacher data are performed by the IT section.

- Accountability reporting
- Financial reporting
- Student achievement reporting

Benefits Provided by the Program or Section:

The work of the information Technology section benefits not only the USOE, but also LEAs. Semi-annual data conferences are held along with monthly meetings with districts and charter schools. Some of the more important benefits are:

- Network and Data Security
- Support for all applications and technology used at the USOE & USOR

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 2,670,695.00
• Federal Funds	\$ 4,156,717.00
• Other (Describe): Indirect Cost	\$ 1,875,837.00
One time FIS	347,351.00
Total Funding	<hr/> \$ 9,050,500.00

Section Costs:

• Personnel Costs	\$ 4,606,443.00
• Travel Expenses	\$ 10,685.00
• Current Expenses	\$ 652,184.00
• Other Charges – Capital Outlays	\$ 129,739.00
Indirect Costs	\$ 359,436.00
Flow Thru	\$ 3,292,013.00
Facilities Construction	\$ 0.00
Total Costs	<hr/> \$ 9,050,500.00

Implications if the Section were not to provide the above noted functions or programs:

- Many of the sections and programs would not be able to perform their duties and functions without the support of IT.

Estimated Program or System Savings from Section Functions:

- Average contractor salaries for developers in the current market - \$137.50/hr. Average USOE developer salary - \$42.70/hr. (including benefits). Savings of \$94.79/hr./developer. Currently, we have 20+ developers making the annual savings approximately \$3,943,246 on developers alone.
- Average contractor salaries for support personnel in the current market - \$85/hr. Average USOE support salary - \$38.82/hr. (including benefits). Savings of \$46.18/hr./developer. Currently, we have 10+ support personnel making the annual savings approximately \$960,544.

Estimated Program or System Cost Avoidance from Section Functions:

- LEAs spend millions of dollars every year on student information systems. They are able to use the Aspire application at no cost to the LEA.
- IT provides a significant amount of help to districts and charters on how to most efficiently report the information required to the USOE. This allows them to rely on the USOE instead of hiring this expertise at the local level.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

- Alternative costs are listed above as contractors would be required to perform the tasks now performed by IT.

Summary of Costs and Benefits:

- The IT section is an essential section in the state office as well as being an integral part of the LEAs' data and reporting needs. This section allows the LEAs to focus on the data driven decision making process for how to improve teaching methods based on student performance. The IT section also allows the other sections and programs within the USOE to focus on their tasks without worrying about security, data storage needs, internet access, etc.

**Benefit-Cost Report for Programs within USOE
(In compliance with S.B. 2 of the 2012 Legislature)**

**Section: Teaching and Learning
Program: Educational Technology**

Description of Section Functions, Programs and Statutory provisions fulfilled:

The purpose of the Educational Technology Specialist, within the Teaching and Learning section, is to provide leadership and vision to assist districts and schools in effectively leveraging technology tools and resources to improve teaching and learning. The specialist and support staff directly indirectly impacts all 41 schools districts, 86 charter schools, over 600,000 students and 70,000 school personnel. Statutory provisions include allocating and monitoring funds for online testing as outlined in 53A-1-708 and selecting and monitoring schools who have been awarded Smart School Technology grants as outlined in 53A-1-709.

State and/or Federal Regulatory Functions Performed by the Section:

1. The Educational Technology specialist created the application and allocation tables for the distribution of funds provided as outlined in Utah Code 53A-1-708, *Grants for online testing*. This bill allocated \$7.6 million to districts and schools to acquire needed technology to deliver annual academic achievement tests to students. The work impacts all 41 districts and 86 charter schools.
2. The Educational Technology specialist fulfilled statute requirements with the Governor's Office of Economic Development (GOED) to implement the Smart School Technology Program outlined in 53A-1-709. The Educational Technology specialist in collaboration with GOED will continue to work with the three selected schools and the awarded vendor, iSchool Campus, to ensure that this program succeeds. The specialist is also working with Southern Utah University (SUU) to implement a comprehensive evaluation on the impact of this program on teaching and learning in selected schools over the next three years as required by the law. Oversight of this program impacts over 1600 students and over 150 teachers and other personnel in the three selected schools.

State and/or Federal Reporting Requirements Performed by the Section:

The Education Technology specialist is tasked with the following reports required annually by the Department of Education:

1. Internet Access Specifications: number of Internet Connected Computers to be reported. (Education Data Exchange Network (EDEN) X162 Internet Access XML Specifications)
2. Federal Report on the number of teachers and students proficient with using technology
3. Approve technology plans for all 41 districts and 86 charter schools as mandated by the Federal

E-Rate Program which brings an approximate total of \$16 million annually to the state. (ESEA Title II Part D Section 2402)

4. Acquire and report key data on the progress of schools in acquiring and using technology in teaching and learning. Each year the specialist reports the number of computers, status of school networks, etc. in all of the nearly 1000 schools around the state as needed by both internal and external policymakers, including the legislature to make decisions regarding educational technology in schools.
- 5.

Benefits Provided by Program or Section:

Three Key Benefits:

1. Establishing Vision of and Planning for the future
(See attached Technology Standards 2012)
2. Facilitating Collaboration and Cooperation between districts, schools and the state
3. Providing Economies of Scale

Internally the Educational Technology section assists in developing and supporting Board policy, collaboration with staff in other sections, supporting departments with updated technology tools and training, and supporting the overall mission and vision of the Board and Superintendent regarding high quality instruction.

Additionally this section provides to all education stakeholders (over 600,000 students and 70,000 employees) direction in educational technology that improves overall learning. Online coursework, infusion of digital media, and technology tools are areas of focus for the overall service provided to LEAs. USOE staff has provided leadership at a national level as well; using examples of innovation in school based technology integration as beacons for schools in the state and the nation to follow.

The Educational Technology section promotes the use of digital media, and current tools based on technology (i.e., iPods, iPads, and other devices), so that students are more engaged in curriculum and have access to more resources than ever before. Our Ed. Tech staff provides sought after professional development to districts and schools and provides support that is cutting edge.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

- | | |
|---|-----------|
| <ul style="list-style-type: none">• State Education Funds• Federal Funds• Other (Describe): | \$209,702 |
|---|-----------|

Section Costs:

<ul style="list-style-type: none"> • Personnel Costs • Current Expenses • Program 	\$ 113,502 \$ 1,800 (office expenses) \$ 94,400
Total Costs	\$ 209,702

Implications if the Section were not to provide the above noted functions or programs:

Utah is noted nationally as a leader in the effective use of technology in teaching and learning. The Educational Technology specialist convenes district and school stakeholders. Districts and schools working together under the leadership of the educational technology specialist have been able to leverage the power of the community to avert duplication of effort, reduce costs for software through state cooperative contracts, and create a unified vision of how technology can improve teaching and learning. Without the guidance of this specialist, this statewide education community would be jeopardized which could result in higher costs to the state in utilizing technology in teaching and learning. Lack of a unified vision between the state and local districts and schools will increase the amount of time it will take to reach the goals of fully realizing the power of technology to improve teaching and learning.

Estimated Program or System Savings from Section Functions:

- The Educational Technology specialist has negotiated the following state software contracts for Districts and Schools resulting in the collective savings of millions of dollars to the taxpayers of Utah which fund education.

Microsoft Select Agreement (All Microsoft software)

License provides deep discounts on all Microsoft products to for all computers/servers in K-12 schools

Savings to districts and schools: Approximately \$1.0 million)

Based on at least 20,000 licenses of Office and/or Windows at \$100 full price, no education/government discount)

SketchUp Pro (3D modeling software)

License provides free access to 100% of all computers in K-12 schools

Savings to districts and schools: Approximately \$1.0 million

(Based on at least 2000 computers at \$500 per seat no education/government discount))

VMWare Server Virtualization

License provides deep discounts on server virtualization software, reducing the need for districts and schools to add additional hardware.

Savings to districts and schools: Approximately \$2.5 million

(Based on at least 500 servers at \$5000 not needing to be purchased)

ESRI ArcGIS Version 10 (Geographic Information Software)

License provides free access to 100% of all computers in K-12 schools

Savings to districts and schools: Approximately \$1.0 million

(Based on at least 1000 computers at \$1000 per seat)

This software is also used by many districts to plan and monitor student transportation resulting in additional savings in fuel, maintenance, and time.

OnTrack: Utah's Professional Learning Center

The Educational Technology specialist monitors the technology for the OnTrack Professional Learning Center portal. OnTrack's growth as a professional learning portal began with a total redesign beginning in the April of 2009. Over the course of the last three years, 35 plus trainings have been held for staff both within the agency and across the state for districts and charter schools, reaching nearly 500 participants. Essentially starting from zero, once these participants were trained in using the system, they were able to begin creating professional development courses for educators. Over 2288 courses to date have been created since November of 2010, the ostensible start of full functionality of the system.

Over 20,955 educators have logged into the system to access their individual records, search for professional development, and/or register for courses

Savings to districts and schools: Approximately \$210,000 annually by having the state provide a centralized system for access to quality professional learning opportunities for teachers, administrators and other school personnel

- The Educational Technology specialist initiated within the Teaching and Learning department at USOE the vision, tools and resources necessary to pioneer and implement digital educational resources.

The potential savings in this area are very large. For example current math textbooks for 9th grade students cost on average at least \$50 per student. The textbook created by USOE will have a cost of only \$5 per, only if it is printed. It is free if delivered electronically.

Potential Savings: \$2.16 million

Estimated Program or System Cost Avoidance from Section Functions:

By providing the 41 districts and 86 charter schools access to negotiated state licenses for software, the state has been able to save millions of dollars, allowing districts and schools to use the savings to purchase additional computers and other need infrastructure to support teaching and learning with

technology.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

The state software licenses have saved the state alternative costs of approximately \$5 million just in the last 3 years.

The Educational Technology specialist, through the regular convening of district and school technology leader, have allowed this community to share best practices and solutions to avoid the costly duplication of effort, and the adoption of inadequate or ineffective technology implementations and practices.

Summary of Costs and Benefits:

By staying tightly focused on three key areas, *Vision and Planning, Collaboration and Cooperation and Economies of Scale*, the Educational Technology specialist is able to assist USOE, districts and schools to maximize limited resources and to better leverage the power of technology tools and resources to improve teaching and learning for over 600,000 students and 24,000 teachers in every part of the state.

The Educational Technology specialist supports the Utah education system as it equips students with the technology skills and resources necessary to successfully live, learn, and work in the 21st century. The specialist serves as the vision leader for educational technology in Utah and supports local educational technology decisions and educational technology planning by convening people, sharing understandings and organizing economies of scale cooperation.

The total cost of the Educational Technology program is \$118,000 annually. The work of the specialist has directly and indirectly **saved Utah schools nearly \$6 million** through negotiating reduced rates on software for schools and providing tools and resources that have improved both the quality and efficiency of educational programs by better leveraging technology.

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of 2012 Legislature)**

Section: ESEA and Special Programs, Instructional Programs

Description of Section Functions, Programs and Statutory provisions fulfilled:

The Federal Programs Section provides state leadership and collaboration, transparency, oversight, support and professional development to Local Education Agencies (LEAs) as they implement programs associated with the Elementary and Secondary Education Act. The funding for these federal programs is available only with State Education Agency oversight. The federal and state programs assigned to this section include the following:

- Title I, Part A – Improving the Academic Achievement of the Disadvantaged = **\$88,031,798 – serving approximately 104,000 students**
 - Title I School Improvement
 - Title I Preschool Programs
 - Title I Parental Involvement
- State Funded Para-Professional Supplement to Title I Schools in Improvement = **\$300,000 – serving approximately 6,400 students**
- Title I, Part C – Migrant Education Program = **\$1,807,025 – serving approximately 1,100 eligible students**
 - Title I, Part C – Migrant Education Program – Consortium Leader, Multi-State Initiative **\$60,000 – serving approximately 600 students**
- Title III, Part A – English Language Learner Services = **\$4,203,597 – serving approximately 58,000 students. Services provided through SIOP (Sheltered Instruction Observation Protocol) and WIDA (World-Class Instructional Design and Assessment) training is implemented state-wide, affecting nearly all teachers and students.**
 - Title III, Immigrant Services
 - Title III Parental Involvement
 - Teacher Qualifications – ELL Endorsement
 - Sheltered Instruction Observation Protocol (SIOP)
 - World-class Instructional Design and Assessment (WIDA) standards
- Title IV, Part B – 21st Century Community Learning Centers = **\$7,061,349 – serving approximately 25,000 students**
- Title VII, Part A - American Indian Education Program = **\$1,356,033 - serving approximately 7,400 students**
- Homeless Education – Title VII, Part B – McKinney-Vento Federal Grant = **\$394,145 – serving approximately 12,000 students**
- State funded Enhancement for At-Risk Students Program = **\$23,384,300 – serving approximately 40,000 students**
 - Math, Engineering, Science Achievement Program (MESA) – 13 LEAs continuing services
 - Highly Impacted Schools – 23 LEAs continuing services
 - ELL Family Literacy Centers – 10 LEAs continuing services

- Gang Prevention: Competitive Grants – 10 LEAs; Discretionary Fund Grants – 5 LEAs
- Other targeted services to at-risk students – 33 LEAs providing services

These programs are mandated by the following code(s):

Utah Constitution, Article X, Section 3, which vests general control and supervision of public education in the Utah State Board of Education:

Public Law 97-110 (federal law) Elementary and Secondary Education Act of 1965, as reauthorized
34 C.F.R. Section 200 (federal regulation) Title I--Improving the Academic Achievement of the Disadvantaged

53A-1-901-904 (state statute) Implementing Federal Programs

R277-404 (board rule) Requirements for Assessments of Student Achievement

R277-425 (board rule) Budgeting, Accounting, and Auditing for Utah School Districts

R277-426 (board rule) Definition of Private and Non-Profit Schools for Federal Program Services

R277-470 (board rule) Charter Schools

R277-510 (board rule) Educator Licensing - Highly Qualified Assignment

34 C.F.R. Section 200 (federal regulation) Title I, Part C - Improving the Academic Achievement of the Disadvantaged; Migrant Education

34 C.F.R. Section 3101-3102 (federal regulation) Title III, Part A – Language Instruction for Limited English Proficient and Immigrant Students

R277-112 (board rule) Prohibiting Discrimination in the Public Schools

R277-716 (board rule) Alternative Language Services for Utah Students

34 C.F.R. Section 200 (federal regulation) Title IV, Part B, 21st Century Community Learning Centers

34 C.F.R. Section 200 (federal regulation) Title VII, Part B – Education for Homeless Children and Youths

R277-616 (board rule) Education for Homeless and Emancipated Students

Subpart 1; 20 U.S.C. 7421–7429, 7491–7492 - Office of Indian Education Title VII Indian Education Formula Grant

53A-17a-161 English Language Learner Family Literacy Centers Program (Previous State Statute)

R277-715 English Language Learner Family Literacy Centers Program (Previous Board Rule, no specific funding but program still supported based on LEA request)

R277-46 Highly Impacted Schools (Previous Board Rule, no specific funding but program still supported based on LEA request)

53A-17a-121 (State Statute) State Appropriations for At-Risk Programs (previous statute)

R277-717 (Board Rule) Math engineering Science Achievement (MESA) (previous rule)

R277-708 Enhancement for At-Risk Students (New Board Rule)

R277. Education, Administration. Ensure that all identified ELL/LEP students receive English language development services

R277-524. Paraprofessional/Paraeducator Programs, Assignments, and Qualifications

R277-716-4A(3) (Board Rule) State ESL Endorsement requirements provided through Educator ELL Endorsement Process management

R277-716 (Board Rule) WIDA training and implementation, SIOP training and implementation

State and/or Federal Regulatory Functions Performed by the Section:

Federal TITLE Programs

(TITLE I, Part A) - College and Career Ready

Title I, Part A provides Utah with Federal funds each year to help higher poverty schools provide supplemental educational services to meet the needs of educationally disadvantaged students; incorporate consistency in Title I preschools and ensure Federally mandated Parental involvement is addressed in every LEA and School program.

(TITLE I, Part C) - Migrant Education

The goal of the Migrant Education Program is to ensure that all migrant students reach challenging academic standards and graduate with a high school diploma or complete a GED that prepares them for responsible citizenship, further learning, and productive employment.

(TITLE III, Part A) - ELL Services

Title III, Part A: This program is designed to improve the education of limited English proficient (LEP) children and youths by helping them learn English and meet challenging state academic content and student academic achievement standards. The program provides enhanced instructional opportunities for immigrant children and youths. Funds are distributed based on a formula that takes into account the number of immigrant and LEP students in the state.

(TITLE IV, Part B) - 21st Century

The 21st Century Community Learning Centers Program is a competitive federal grant for LEAs and Community or Faith-Based Organizations to serve students and their families attending schools with poverty levels of 40 percent or higher outside of regular school hours.

(TITLE VII, Part A) - Indian Education

It is the purpose of this part to support the efforts of local educational agencies, Indian tribes and organizations, postsecondary institutions, and other entities to meet the unique educational and culturally related academic needs of American Indian and Alaska Native students, so that such students can meet the same challenging State student academic achievement standards as all other students are expected to meet.

(TITLE IIV, Part B) - Homeless Education

Under the McKinney-Vento Homeless Children and Youths Program, State educational agencies (SEAs) must ensure that homeless children and youth have equal access to the same free public education, including a public preschool education, as is provided to other children and youth. States must review and undertake steps to revise any laws, regulations, practices, or policies that may act as barriers to the enrollment, attendance, or success in school of homeless children and youth.

State Programs

The MESA Program - Utah MESA is a member of MESA USA, a partnership of MESA programs from several states. The programs are based on a common academic enrichment model to support students so they excel in math and science. MESA USA serves as an arena for the programs to share best practices to continually refine and improve the MESA model. The

organization also seeks to establish new programs to reach more students who need MESA's services. This program was previously required by Utah Legislature, and although the specific funding has been withdrawn, the LEAs still look for program consistency and management, which this section's Education Specialist provides through support of the Enhancement for At-Risk funding.

The SIOP Program Training and Implementation - Sheltered Instruction Observation Protocol® (SIOP®) provides concrete examples of the features of Sheltered Instruction that can enhance and expand teachers' instructional practice. The protocol is composed of thirty features grouped into eight main components: Lesson Preparation, Building Background, Comprehensible Input, Strategies, Interaction, Practice and Application, Lesson Delivery, and Review and Assessment. These components emphasize the instructional practices that are critical for second language learners as well as high-quality practices that benefit all students.

The WIDA Program Training and Implementation – Utah State Board of Education has adopted the WIDA standards World-class Instructional Design and Assessment of teaching and assessing students learning a second language. The WIDA ELP Standards along with their strands of model performance indicators-which represent social, instructional and academic language-have been augmented by TESOL as the national model.

ELL Family Literacy Centers – These centers provide interactive literacy activities between parents and their children; training for parents on how to be the primary teacher for their children, and to be full partners in the education of their children; parent literacy training that leads to economic self-sufficiency; and an age-appropriate education to prepare children for their success in school and life experiences. Student extended-day or year around services include: tutoring, optional extended kindergarten and credit recovery. Program focus is on parent outreach through home visits, newcomer programs, early childhood education, and planning strategies to meet the English Language Learner needs. Parent skill enhancements include: assisting in computer literacy/workforce skills, high school courses targeted to obtain a GED, and translation services. This program was previously required by Utah Legislature, and although the specific funding has been withdrawn, the LEAs still look for program consistency and management, which the USOE Education Specialist provides through support of the Enhancement for At-Risk funding.

Highly Impacted Schools – These are schools that have been determined to be the most highly impacted by students who need to overcome compacted obstacles of poverty, ethnical minority, and frequent mobility that results in poor academic achievement, as defined by state statute and the state board rule. This program was previously required by Utah Legislature, and although the specific funding has been withdrawn, the LEAs still look for program consistency and management, which the USOE Education Specialist provides through support of the Enhancement for At-Risk funding.

State and/or Federal Reporting Requirements Performed by the Section:

- **All following items require the gathering, analysis, interpretation and submission of required data points to the Federal Government. The USOE creates the mechanisms and consistent business rules to accomplish this.**
- 21st Century Community Learning Center (21st CCLC) competitive grant application process through the Utah Consolidated Application (UCA).
- 21st CCLC grantee budget report.
- 21st CCLC grant recipients program evaluation.
- 21st CCLC Profile and Performance Information and Collection System (PPICS).
- 21st CCLC grantee self-evaluation on Utah Afterschool Program Quality Assessment and Improvement Tool.
- Federally required monitoring of 21st CCLC grantee programs through the Tracker/Desktop Monitoring Instrument (DMI).
- LEA Title I Plan & Application for Funds through Utah Consolidated Application (UCA).
- Title I Maintenance of Effort Report - Generated at the USOE and based on LEA previous reporting points.
- Title I Private School Report.
- Title I Statistical Performance Report.
- Title I Comparability Report.
- Title I Desktop Monitoring Report and Documentation Report, submitted by LEAs through the Tracker/Desktop Monitoring Report (DMI).
- Title I Schools in Improvement - Revised school improvement plan is required of those 24 schools newly identified as Focus schools. Budgets accompany all school improvement plans. Quarterly reports are completed by the School Support Team leader. Reports are sent to the school, district, and to the USOE through the Tracker/Desktop Monitoring Instrument (DMI).
- ARRA SIG applications have identified Priority Schools under an ESEA Waiver granted to the State of Utah. There are specific requirements for reporting and accountability associated with this voluntary, competitive application. Reports are sent to the USOE through the Tracker/Desktop Monitoring Instrument (DMI).
- LEA Title III Plan & Application for Funds Utah Consolidated Application (UCA).
- Title III Desktop Monitoring Report and Documentation Report to be implemented into the Tracker/Desktop Monitoring Instrument (DMI).
- Title III District in Improvement - These are LEAs who have failed Annual Measurable Achievement Objectives (AMAOs) two and four years in a row. They have submitted a district improvement plan with a budget last year and are implementing this year. A progress report/personal meeting is due annually.
- MAPS/Teacher ratings – Student Level data elements required by the federal Consolidated State Performance Report (CSPR) that are not obtained through the Utah Data Warehouse - this information is reported through the MAPS system by participating LEAs and shared within the Migrant Consortium of Western States.
- Title I, Part C – LEA Plan and Migrant Education Application through the Utah Consolidated Application (UCA).
- Title I, Part C - Desktop Monitoring Report and Documentation Report completed by the LEAs through the Tracker/Desktop Monitoring Instrument (DMI).
- National Certificates of Eligibility (COE) entered through the MAPS Utah Migrant Education

data system.

- McKinney-Vento Homeless Sub-Grant Application process managed by the USOE every 3 years to determine eligible LEAs based on Federal guidance.
- LEA Homeless Evaluation reflects the accumulation of data gathered at the LEA level.
- McKinney-Vento Homeless “Point-in-Time Report” is a snapshot of all eligible students within LEAs.
- McKinney-Vento “Homeless Cumulative Report” is a total count of all students served throughout Utah for each school year.
- Evaluation of the ELL Family Literacy Centers is managed through contract and reports submitted by an outside evaluation team. The USOE constructed the RFP for services requested by Utah State Legislature that required evaluation of previously funded ELL Family Literacy Centers from an outside, unbiased source. The USOE ensures that the contract recipient provides consistent clear and fair analysis, and provides all information requested by the Utah State Legislature regarding the program implementation, use and constructive outcomes. This reduces the burden on each participating LEA by managing the contract (as directed legislatively), setting up a budget, and processing invoices submitted by the outside contractor.
- Implementation and support of ELL learning software, Imagine Learning, is managed through contract and reports submitted by an outside provider. The USOE constructed the RFP for services requested by Utah State Legislature that required development and implementation of ELL learning software from an outside source. The USOE ensures that the contract recipient provides consistent and fair services, provides all information requested by the Utah State Legislature regarding the program implementation, use and constructive outcomes. This reduces the burden on each participating LEA by managing the contract (as directed legislatively), setting up a budget, and processing invoices submitted by the outside contractor.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 23,684,300
• Federal Funds	\$ 101,497,914
• Other (Describe):	\$ _____
• Total Funding	\$ 125,182,214

Section Costs:

• All Personnel Costs (Salary and Benefits)	\$ 1,516,525
• All Travel Expenses	\$ 52,922
• All Current Expenses (includes contracts)	\$ 501,396
• All Other Charges (Indirect Costs)	\$ <u>152,733</u>
• Total Costs	\$ 2,223,576

Remainder of Funding Sources above go directly to LEAs: \$122,958,638 (98.23%)

Implications if the Section were not to provide the above noted functions or programs:

Impact on Utah Students:

The students served by the Federal and Special programs group are historically at-risk populations that without significant supports tend not to achieve academic success, English proficiency, or graduate from high school. Current research from the Department of Workforce Services highlights the impact on employability and income earned for those who do not successfully graduate from high school.

Employment Rates:

- For students that have not received a high school diploma, the unemployment rate in 2011 was 14.1%
- For those who have a high school diploma, the unemployment rate drops to 9.4%
- For those who have received a bachelor's degree, the unemployment rate further drops to 4.9%

Annual Income:

- For students that have not received a high school diploma, the average annual income in 2011 was \$23,452
- For those who have a high school diploma, the average annual income increases to \$33,176
- For those who have received a bachelor's degree the average annual income is \$54,756

In summary, the interventions available to help at-risk students achieve academic success, including high school graduation and moving on to graduate from college reduces unemployment by more than half and increases personal income by more than 100%.

Data also shows that a larger percent of youth who do not graduate from high school are involved in criminal activities that lead to incarceration. Each incarcerated individual will serve as a burden on the State. It is estimated that each inmate in the Utah State Prison costs the state approximately \$70,000 a year.

Impact on Utah Districts and Charter Schools:

The Utah State Office of Education fulfills critical roles in the approval, monitoring, and technical assistance to Local Education Agencies (LEAs). These roles are required by federal statute in association with federal funding to education. Federal requires LEAs to receive grants and submit all required documentation to the U.S. Department of Education through the State Education Agency (SEA). LEAs are not permitted to submit plans, applications, compliance monitoring reports, statistical data, and reimbursement requests directly to the U.S. Department of Education. Each LEA would have to negotiate with the U.S. Department of Education to identify an acceptable third party to perform the roles of the SEA. This process would be costly, time consuming, and would require additional staff and/or contracting with outside providers to fulfill requirements. All Federal Programs are administered by staff who are funded through the small (1% and 5%) SEA administrative set-aside of federal funds. In the event that the SEA did not perform these tasks, the costs of the following required SEA responsibilities would be passed on to each LEA:

- Title I School Improvement Responsibilities: LEAs would be responsible to hire an outside agency (with knowledge of all Title I school improvement requirements and fiscal issues associated with approved expenditure of funds); to provide professional development; conduct onsite monitoring; prepare monitoring reports; provide technical assistance; monitor reimbursement requests before sending them to the US Department of Education for approval to avoid mismanagement of funds; all LEA plans would have to be approved by the US Department of Education. All questions would have to be directed to the US Department of

Education; to send and receive information through the US Department of Education would result in major delays for the LEAs. The US Department of Education would also have to hire additional personnel in order to handle the additional correspondence from state LEAs.

- Title I Compliance Monitoring: LEAs would need to develop a Title I monitoring system to meet federal regulations.
- Federal Student Loan Forgiveness: A third party contractor would need to be hired to manage the teacher loan forgiveness program.
- 21st Century Community Learning Centers (21st CCLC): Grantees would be responsible to hire outside agencies to provide professional development; conduct onsite monitoring; prepare monitoring reports; provide technical assistance; monitor reimbursement requests before sending them to the U.S. Department of Education for approval to avoid mismanagement of funds. All 21st CCLC applications and budgets/budget revisions would have to be approved by the US Department of Education, and all questions/requests for technical assistance would have to be directed to the U.S. Department of Education. To send and receive information through the U.S. Department of Education would result in major delays in services and funding for 21st CCLC grantees, and thus delay services to Utah students and their families.
- Migrant Education Program: Title I, Part C grantees would be responsible to hire outside agencies to provide professional development; conduct comprehensive needs assessments, service delivery plans and evaluations; conduct onsite monitoring; prepare monitoring reports; provide technical assistance; monitor reimbursement requests before sending them to the U.S. Department of Education for approval to avoid mismanagement of funds. All Migrant Education applications, budgets, and subsequent revisions would have to be approved by the US Department of Education, and all questions and requests for technical assistance would have to be directed to the U.S. Department of Education. To send and receive information through the U.S. Department of Education would result in major delays in services and funding for Migrant Education grantees, and thus delay services to Utah students and their families. Title I, Part C; Section 9302 of Title IX; Section 421(b) of GEPA and 34 CFR 76.700 – 76.783 and 80.3 delineate that only an SEA may receive a MEP grant from the Department. LEAs, other public agencies, and private nonprofit organizations, including institutions of higher education, may only participate in the program through sub-grants or contracts with SEAs.
- McKinney-Vento Homeless Education Program: Title VII, Part B grantees would be responsible to hire outside agencies to provide professional development; conduct comprehensive needs assessments, service delivery plans and evaluations; conduct onsite monitoring; prepare monitoring reports; provide technical assistance; monitor reimbursement requests before sending them to the U.S. Department of Education for approval to avoid mismanagement of funds. All McKinney-Vento Homeless Education applications and budgets/budget revisions would have to be approved by the US Department of Education, and all questions/requests for technical assistance would have to be directed to the U.S. Department of Education. To send and receive information through the U.S. Department of Education would result in major delays in services and funding for McKinney-Vento Homeless Education grantees, and thus delay services to Utah students and their families.

- **Federal Grants Management:** Grant recipients must implement internal controls to minimize the cost of the use of money to the U.S. Government. These controls include: accounting and administrative controls from an outside agency/organization/CPA firm, and provides reasonable assurance that all Federal assets, including funds, are safeguarded against waste, loss, unauthorized use, or misappropriation. While the need for internal controls may seem burdensome or restrictive, their value should be obvious. The Federal Financial Management Requirements would not be followed if the LEAs and CBOs were to receive the federal grants directly, since any LEA disbursement is in the reimbursement basis. For this reason each outside agency/organization/CPA firm would essentially have to meet all SEA requirements, with the commitment to follow and provide the internal control and assurances required to manage Federal Funds.
- **Title III Compliance Requirements:** Grantees would be responsible to hire outside agencies to provide professional development; conduct comprehensive needs assessments, service delivery plans and evaluations; conduct onsite monitoring; prepare monitoring reports; provide technical assistance; monitor reimbursement requests before sending them to the U.S. Department of Education for approval to avoid mismanagement of funds. All LEA Plan and funding applications, budgets, and subsequent revisions would have to be approved by the US Department of Education, and all questions and requests for technical assistance would have to be directed to the U.S. Department of Education. To send and receive information through the U.S. Department of Education would result in major delays in services and funding for Title III, Part A, and Title III, Immigrant grantees, and thus delay services to Utah students and their families. 34 CFR 76.700 – 76.783 and 80.3 delineate that only an SEA may receive a Title III, Part A grant from the Department. Local educational agencies (LEAs), other public agencies, and private nonprofit organizations, including institutions of higher education, may only participate in the program through sub-grants or contracts with SEAs.
- **Title VII – Indian Education:** LEAs would be required to secure the necessary academic support, support from the community, and support from Utah Indian Tribes and the Higher Education programs. The professional staff at the schools, school districts, and agencies in Utah will not receive the updated information currently provided by SEA staff. A third party consultant would need be contracted to exercise all functions of the Title VII program.

Estimated Program or System Savings from Section Functions:

If the Federal and Special Programs section of the USOE were to be eliminated, the state savings would be minimal. Almost all of the section personnel costs of \$2,223,576 come from the mandated federal set-aside for state administration of federal programs. Approximately 75% of the section’s administrative costs are from federal funding sources. If LEAs were to hire additional staff or contract with third-party providers to fulfill the same required functions that the SEA provides, the costs to LEAs would exceed the proportional amount of additional administrative funds that they would receive in federal grants.

Estimated Program or System Cost Avoidance from Section Functions:

In reviewing the roles and responsibilities of the staff in the Federal and Special Programs section, all job descriptions and individual work assignments align with federal education program requirements. The USOE does not believe that the section could reduce program or system functions without putting federal education funds at risk.

Estimated Alternative Costs if the Section Functions or Programs were not Performed:

In reviewing the roles and responsibilities of the staff in the Federal and Special Programs section, all job descriptions and individual work assignments align with federal education program requirements. The USOE does not believe that the section could reduce program or system functions without putting federal education funds at risk.

Summary of Costs and Benefits:

The enduring benefit of having a better prepared populace in terms of literacy, numeracy, and high school graduation impacts both the general economy and the individual opportunities and livelihood for generations. Students who historically have been underperforming can meet rigorous standards and access college and career opportunities that reduce unemployment and increase personal income. The state and federal investments of approximately \$130 million and the \$2.2 million that the USOE utilizes to support local education agencies provide a high return on investment (for every \$1 spent on administration, LEAs receive nearly \$70 in funding for student services); more students achieve literacy, graduate from high school, and go on to college. Additionally, far fewer youth end up in the corrections system as a result of successful education programs; saving the State of Utah significant financial resources.

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: School Law and Legislation

Description of Section Functions, Programs and Statutory provisions fulfilled:

The School Law and Legislation Section provides the following services:

1. Draft, revise, file and maintain all Utah State Board of Education (Board) administrative rules as required or allowed by Utah statute.
2. Draft, review, and edit contracts, MOAs, MOUs, and other documents for USOE staff and local education agencies as requested.
3. Respond to GRAMA requests for the USOE.
4. Work with USOE Superintendency and USOE staff on new and revised legislation and consider implications for the Board, USOE, and local education agencies (LEAs).
5. Work with the State Attorney General's Office in addressing legal issues and litigation.
6. Provide support and professional development to public school personnel concerning current legal issues, public education law, educator discipline, professional standards, and legislation.
7. Work with other government entities including higher education, State Risk Management, state and local health departments, Division of Child and Family Services, and others to administer joint programs and carry out other statutory duties.
8. Provide information and direction to school districts, charter schools, other state agencies, and the general public on various issues including school fees, school First Amendment issues, student discipline, grading practices, ethics, and student confidentiality issues.
9. Revise and update school fee forms as necessary and complies all school fee certification of compliance forms.

State and/or Federal Regulatory Functions Performed by the Section:

The School Law and Legislation Section provides services consistent with the following state statutes:

1. Title 53A State System of Public Education, requirements for administrative rules (this includes rules for the Board, Utah State Office of Rehabilitation, Utah Professional Practices Advisory Commission, and other entities under the supervision of the Board.
2. Title 63G, General Government, Chapter 3, Utah Administrative Rulemaking Act, for rulemaking responsibilities.
3. Title 63G, General Government Chapter 2 Government Records Access and Management Act, for responding to GRAMA requests.
4. Title 53A State System of Public Education, Chapter 6 Educator Licensing and Professional Practices Act, for required professional development.
5. Third Judicial District Court Permanent Injunction Order, 1994, for school fee waiver compliance.

State and/or Federal Reporting Requirements Performed by the Section:

N/A

Benefits Provided by Program or Section:

The School Law and Legislation Section provides the following benefits:

Work closely with and provide guidance to USOE staff to write and edit Board administrative rules and follow through with Board approval process and Division of Administrative Rules process until completion.

Provide information regarding Utah public education law and Board administrative rules to LEAs, other state agencies, the general public and anyone requesting the information; information is provided verbally, via email, in writing, upon request.

Draft, review, and edit training and professional development materials to USOE staff and local education agencies on: GRAMA, FERPA, open and public meetings, public employee and officers' ethics, school fees, residency, open enrollment, timelines for school programs, etc.

Draft, review and edit contracts, MOAs and MOUs as requested by USOE staff.

Provide professional development for licensed educators as a necessary requirement for educator license renewal.

Provide information relating to GRAMA requests; work with USOE staff and other agencies to fill GRAMA request and provide data and material consistent with the law.

Source and Amount of Funding:

State Education Funds	\$	277,500.00
Federal Funds		0
Other (Describe): Office supplies and hardware		0
Total Funding	\$	277,500.00

Section Costs:

Personnel Costs	\$	221,681.76
Travel Expenses		2,726.43
Current Expenses		22,757.15
Other Charges (Supplies and hardware)		27,266.86
Total Costs	\$	274,432.20

Implications if The Section Were Not to Provide the Above Noted Functions or Programs:

Provisions for many of the functions for the School Law and Legislation Section are required by the Utah Code. Additionally, the Utah Constitution directs the Board to provide "general control and supervision" to the state public education system. If the Board/USOE did not provide oversight and assistance in public education matters to LEAs (now 41 school districts and 90+ charter schools) and work with other state agencies and governmental entities, there would be significant exposure and risk to the public education system. LEAs and other entities would have the burden—and in many cases lack the statewide vision and expertise—to provide oversight on issues now provided by the USOE School Law and Legislation Section. Undoubtedly, without the School Law and Legislation Section's work and anticipation of legal issues, there would be additional statewide and local lawsuits on such issues as funding equity for all public schools, compliance with state and federal constitutional rights for LEA employees and students, compliance with ethical and legal requirements for public education

employees, compliance with federal laws and regulations such as IDEA, NCLB, FERPA and FOIA and various other legally-related public education issues.

Also, the Board has administrative rulewriting responsibility, with all the requirements of regular review of rules, satisfaction of rulewriting timelines and interaction with the Division of Administrative Rules. The Board writes more rules than any other state agency or constitutionally authorized entity. The public education budget makes up approximately 50% of the state budget so rulewriting for programs and RFPs funded by the education budget is a critical responsibility. If rules are not written consistent with statutes or, in some cases, federal requirements, law suits, disorganization and lack of accountability for public funds would be likely. Failure to comply with federal regulations and state legislation through policy writing or rule writing could be costly and legally risky. Also, taxpayers have the right to know how public funds are spent, especially when they are spent on our children. Taxpayers also have a right to participate in the public oversight of education. Without the School Law and Legislation Section, the following duties and services would be problematic:

1. Board Rule development, regular review and implementation, as required by Utah law;
2. The review of internal documents with legal implications such as MOUs, MOAs, and reports to state, federal and local governmental entities;
3. Appropriate professional development and assistance to LEAs
4. Information and answers to basic questions that require reading and reviewing statutes and administrative rules about such topics as public education funding, proposed legislation, parent choice in education, teacher licensing and student safety;
5. Findings of noncompliance by federal entities or for state or federal programs. Such findings could result in loss of funds or revenue, discontinuation of services to public schools or orders by federal agencies that would affect public education funding and/or services.
6. Inadequate oversight and review. This oversight was critical when there were 40 traditional school districts ten years ago. There are now 41 traditional school districts, many thousands of additional Utah school children, almost 100 charter schools and approximately 10 additional public school programs (Carson Smith Scholarship program, State Online Education, Electronic High School, multiple experimental pilot programs) that receive state funding similar to the direct funding that school districts received 10 years ago.

Estimated Program or System Savings from Section Functions:

It is difficult to quantify the potential costs of noncompliance, failure to establish standards through rulemaking and failure to provide information about programs that increase effectiveness, safety and availability of public education programs and opportunities for children.

During 2013, the USOE, on behalf of the Board, took more than 100 rulemaking actions. These included developing amendments, writing rules, and reviewing responses to Board Rules from other entities and individuals. In addition, the School Law and Legislation Section staff worked with legislators and policy makers to consider rulemaking as part of new and amended legislation. These numbers do not include the many discussions and reviews of rules by School Law and Legislation Section staff when we determined that rulemaking was not necessary or when local policy changes were recommended instead of rulemaking.

If this work had not been accomplished by the one attorney/educator with assistance from another attorney/educator and one very experienced near-legal secretary, the work would have to be accomplished by as many as three attorneys (other state agencies), paralegals and administrative assistants. Due to extensive rewrites of several complicated rules, the rule-writing workload increased from 2012 to 2013. The rule-writing workload usually increases annually. This estimated cost is conservatively estimated at: \$200,000 for salary/benefits for each of three attorneys (\$600,000); \$125,000 for one paralegal trained in public education funding and issues and \$80,000 for one legal secretary—for a total of \$805,000 for the Administrative rule-writing function of the Law and Legislation section.

The USOE School Law and Legislation Section provides professional development and training, as directed by Board/USOE leadership, statute, and upon request. To illustrate, during the 2013 calendar year, the Law and Legislation staff worked with other office specialists to prepare and provide training about financial and ethical practices in LEA athletic and activity programs. These presentations were developed previously but were continued in approximately six to eight venues in 2013. Significant travel by USOE staff was required for some of the presentations. If each LEA prepared its own presentation materials or paid for the presentation, a conservative estimate of in-house costs per LEA would be about \$500 per LEA. If travel time, preparation time and expertise are included in the cost of the training, it is estimated that the statewide cost would be \$62,000—on just one issue!

The School Law and Legislation Section provides training by two staff attorneys upon request. Training is provided at least once per week on topics as diverse as student constitutional rights, FERPA, open meeting requirements, public educator ethics, copyright laws, GRAMA and school equity. Each session requires preparation, legal interpretation of state laws and administrative rules, and a technical format—and takes from three to 10 hours of a staff attorney's time. Often the presentations require one or two hours of assistance from technical staff. If an attorney's presentation time is valued at \$400/hour, preparation time at \$200/hour and an assistant's time at \$50/hour, an average presentation cost at approximately \$1,450 per presentation—x 40 presentations per year for a total cost of \$58,000 annually for professional development and training provided to LEAs and other groups.

The School Law and Legislation Section also provides information about state and federal education laws and programs via telephone, email and mail. The USOE staff does not provide legal advice but does help LEAs find legal information upon request. The responses to questions are fielded by two staff attorneys and one very experienced administrative assistant. An average response takes between 15 minutes and one hour, depending upon the complexity of the request or question. Each attorney responds to approximately (and conservatively) 10 questions per day. The administrative assistant responds to at least five questions per day. If these responses were paid for in the private sector, the cost per day could be estimated at six hours/day X \$300 per attorney hour + two and one half hours per day X \$50/hour administrative assistant time = \$125.00 + \$1,800 for a total of average daily expense to respond to taxpayers of \$1,925 day—for School Law and Legislation Section staff. An average work year equals 200 days X \$1,925/day or \$385,000 annually to be responsive to taxpayers, public education employees, other government agencies and policy makers.

Estimated Program or System Cost Avoidance from Section Functions:

The USOE provides assistance to public education generally, to LEAs and to taxpayers and policy makers. Only seven of the 41 public school districts have in-house attorneys. Of the 95 charter schools,

approximately 10-15 have access to legal assistance. Of the 10-15 lawyers that work with charter schools, few have any training or experience with public education issues. Most of the policy making agencies that the USOE work with—including state legislative staff, state agencies and federal programs—have attorneys that work with them. It is both more effective and helpful for the USOE to have staff attorneys with personal experience as public educators to interact with other staff attorneys.

The USOE has been a named plaintiff in lawsuits. When USOE staff members are named individually, the USOE as an entity and/or the Board—we are represented by Utah Assistant Attorneys General. The Assistant AGs work closely with USOE staff attorneys who gather documents, prepare witnesses, and provide information at no additional cost to the Utah Attorney General’s Office. Additionally, because the USOE staff attorneys actively provide information to LEAs and individuals, some of whom are looking for reasons to sue LEAs, we believe that we avoid an impossible-to-estimate number of lawsuits—large and small. If the average lawsuit costs between \$5,000 and \$75,000, avoiding three nominal lawsuits and one major lawsuit annually (a realistic estimate) results in a savings of almost \$100,000 annually to Utah taxpayers. This money can then be used in public education classrooms.

The USOE costs for one attorney full time for School Law and Legislation and one attorney who devotes about 20% of her time to School Law and Legislation issues and one full-time administrative assistant are approximately \$250,000. Due to the legal expertise and the public education expertise of the School Law and Legislation Section staff, the same work would have to be accomplished by at least one experienced educator (\$80,000 annually), an administrative assistant or a paralegal (\$50,000–\$125,000 annually), and at least two full time attorneys (\$200,000 annually for each attorney). This would be a total annual cost in the private sector of almost \$600,000 annually for the services provided by the Law and Legislation staff—in activities of staff that are quantifiable as to cost avoidance. What is the cost avoidance value of taxpayers who better understand the requirements of a school bond election? What is the cost avoidance of a teacher or several teachers who, upon learning of their rights to academic freedom and freedom of expression, determine not to sue their employing charter school? What is the cost avoidance of statewide financial and ethical training for coaches that helps coaches more accurately manage public funds?

Estimated Alternative Costs if the Section Functions or Programs Were Not Performed:

Alternative costs listed above as private attorneys and legal assistants and necessary resources to provide services would need to be redirected from schools and classrooms to perform the tasks now being performed by the USOE School Law and Legislation Section.

Summary of Costs and Benefits:

Benefits:	\$ 1,910,000.00
Costs:	\$ 274,432.20
Benefit/Cost:	7.0

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: Public Affairs

Description of Section Functions, Programs and Statutory provisions fulfilled:

- **Provide notice of public meetings** of Utah State Board of Education and other appropriate organizations under the State Board (e.g., Charter School Board, State Rehabilitation Counsel, Utah Professional Practices Commission) in accordance with UCA 52-4-402 (Open and Public Meetings Act).
- **Prepare and distribute State Superintendent of Public Instruction's annual report** in accordance with UCA 53A-1-301 (Administration of Public Education).
- **Record and make available audio portions of meetings** of Utah State Board of Education and Utah State Charter School Board in accordance with UCA 52-4-203 (Open and Public Meetings Act).
- **Promulgate new policies, policy changes, and direction of the Utah State Board of Education** through all useful communication channels to appropriate audiences.
- **Promulgate Utah public school student performance and financial data** through all useful communication channels to appropriate audiences.
- **Assist government agencies, media outlets, researchers and the general public** in finding and understanding school performance and financial data related to Utah's public school system.
- **Monitor institutional and public reaction** to Utah's public education system.
- **Intervene in public discussions when there are inaccuracies** about Utah's public school system.
- **Ensure elected policy makers and appointed policy enactors are aware** of public concerns, questions, or compliments about Utah's public school system.
- **Provide public relations counsel** to Utah State Board of Education members and agency personnel.
- **Apprise agency personnel** of work-related resources and directives that apply to them.
- **Assist local education agencies and related public education groups** (e.g., school principal groups, school superintendent groups, Utah Education Network) with public relations-related work as needed.
- **Work with public affairs representatives from other state agencies** as needed.

State and/or Federal Regulatory Functions Performed by the Section:

- Provide notice of public meetings of Utah State Board of Education and other appropriate organizations under the State Board in accordance with UCA 52-4-402 (Open and Public Meetings Act).
- Record and make available audio portions of Utah State Board of Education and Utah State Charter School Board meetings in accordance with UCA 52-4-203 (Open and Public Meetings Act).

State and/or Federal Reporting Requirements Performed by the Section:

- Preparation and distribution of State Superintendent of Public Instruction's annual report in accordance with UCA 53A-1-301 (Administration of Public Education)

Benefits Provided by Program or Section:

- **Meeting notices** of the Utah State Board of Education and other boards and committees that

serve under the Board fulfill the obligations of Utah’s Open and Public Meeting Act. The public is informed of the meetings, may participate in the meetings either in person or electronically, and learn of the results of the meeting.

- **Public is informed** of the status of Utah’s public education system through the Superintendent’s Annual Report and supplemental documents stored on the agency’s website.
- **Electronic and printed materials are developed** about Utah’s public education system to inform the public today and to provide an historical record for future generations.
- **Two-way communication between the public and elected leaders is facilitated** through dissemination of information from the Board and in monitoring efforts from public sources.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds	\$ 49,057
• Federal Funds	\$
• Other (Describe): Transfer, Fed Min Lease	\$ 336,873
Total Funding	\$ 385,930

Section Costs:

• Personnel Costs	\$ 348,523
• Travel Expenses	\$ 42
• Current Expenses	\$ 37,365
• Other Charges	\$ 0
Total Costs	\$ 385,930

Implications if the Section were not to provide the above noted functions or programs:

- **Utah State Board of Education and Utah State Superintendent of Public Instruction would be out of compliance with Utah statute** for not providing meeting notice or publishing an annual report. Cost of lawsuits if statute is not filed: Estimate between \$60,000 - \$100,000 to defend.
- **Utahns would have less access to and less understanding** of their public education system.
- **Utah State Board of Education members and Utah State Office of Education staff would have no systematic way of learning about public discussions** of the public education system.
- **Utahns would have a much smaller historical record** about their public education system.

Estimated Program or System Savings from Section Functions:

\$1,679,868.75 to \$2,042,368.75 which represents actual costs of \$1,343,895 to \$1,833,895 plus a 25 percent premium representing familiarity with the work and the client that an outside agency would lack.

- Outsourced public relations work @ \$95 - \$300 per hour (typical cost in Salt Lake market) x 2000 hours per year (2080 hours minus two weeks’ vacation) = \$190,000 - \$600,000.
- Outsourced news clipping services for print media at \$75 per month and \$0.75 per article (typical cost in Salt Lake market) @ an average of 560 clips per month = \$495.
- Outsourced broadcast clipping service at a flat fee of \$100 per month = \$100.
- Outsourced graphic arts design @ \$60 - \$100 per hour x 2000 hours per year (2080 hours minus two weeks’ vacation) = \$120,000 - \$200,000.
- Outsourced studio services plus technician @ \$500 per hour (typical cost in Salt Lake market) x 2000 hours per year (2080 hours minus two weeks’ vacation) = \$1 million.

- Outsourced editor @ \$22.50 per hour (typical national rate since editing can be done electronically) times 1480 hours (1560 minus two weeks' vacation) = \$33,300.

Estimated Program or System Cost Avoidance from Section Functions:
\$1,293,938.75 to \$1,653,438.75

Estimated Alternative Costs if the Section Functions or Programs were not performed:

Costs for LEAs to research changes in policy. Costs for LEAs for not following policy because of changes they didn't know about. Costs for others (government agencies, general public) seeking information that would no longer have assistance. Costs estimated for local education agencies (LEA) with student populations in excess of 10,000 to hire a public affairs manager to track policy communication functions now handled at state level: \$83,410 for salary and benefits for a government public affairs director (private salary and benefits estimated at \$105,690, according to Bureau of Labor Statistics "National Occupational employment and Wage Estimates"). \$83,410 x 16 LEA = \$1,334,560.

Summary of Costs and Benefits:

Having a public relations function including audio/video production services in house saves Utah about \$2.6 million and better serves the needs of the public education system and the public generally.

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

**Section: School Children's Trust
Program: School LAND Trust Program**

Description of Section Functions, Programs and Statutory provisions fulfilled:

The Section fulfills the duties described in 53A-16-101.6, namely, protecting current and future beneficiary rights and interests in school trust lands and the permanent State School Fund, consistent with the state's perpetual obligations under the Enabling Act, Utah Constitution, state statute, and standard trust principles.

The section promotes productive use of school trust lands and advocates on land policy issues as they affect public education funding. The section provides representation, advocacy, and input on behalf of the State Board, school community councils, schools, and school districts on land decisions to SITLA, the Legislature, the State treasurer, the Attorney General, and the public.

The section administers the School LAND Trust Program, distributing \$37.4 million in the 2013-14 school year to over 900 schools statewide.

State and/or Federal Regulatory Functions Performed by the Section:

Training of school community councils on their requirements under state code and state board rule. Compliance reviews on the School LAND Trust Program expenditures for 10% of the school districts and 10% of the charter schools in the state each year.

State and/or Federal Reporting Requirements Performed by the Section:

The section provides independent oversight on the prudent and profitable management of the trust and reports annually to the State Board of Education and the Legislature. (53A-16-101.6(9))

Benefits Provided by Program or Section:

The section was central to the creation of SITLA, the growth of the permanent State School Fund, and the creation and success of the School LAND Trust Program.

School community councils provide a real mechanism for local control, parental input with a real voice at each school, and a valuable feedback loop for school and district administrators. The section's advocacy on behalf of education helps ensure that the lands owned by the school kids are managed entirely and exclusively for the benefit of the beneficiaries.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

<ul style="list-style-type: none"> • State Education Funds • Federal Funds • Other (Describe): Total Funding 	<p>\$536,000</p> <hr/> <p>\$536,000 (Interest and Dividends Account annual appropriation)</p>
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Section Costs:

<ul style="list-style-type: none"> • Personnel Costs • Travel Expenses • Current Expenses • Other Charges (Supplies and hardware) Total Costs 	<p>\$445,073</p> <p>\$ 5,434</p> <p>\$85,493</p> <hr/> <p>\$536,000</p>
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Implications if the Section were not to provide the above noted functions or programs:

Without the efforts of this section, SITLA would not exist, nor would a sizeable permanent state school fund. Without this section, land management would likely be politicized in ways harmful to the beneficiaries, as has been seen in other states. The section has the primary responsibility to look after the interests of the beneficiaries of the fund, Utah’s children. In a weak budget period the permanent State School Fund is always a tempting target. The section represents the beneficiaries by advocating for them and seeing that funds are spent appropriately.

Estimated Program or System Savings from Section Functions:

The program provides over \$37 million annually directly to Utah schools. This is a significant source of education dollars. The section costs are less than 1.5 percent of that fund.

Estimated Program or System Cost Avoidance from Section Functions:

Without the program, public education would incur a 1.2% funding loss. The funds help the state avoid higher taxes, or reduced services within the public education system.

Estimated Alternative Costs if the Section Functions or Programs were not performed:

\$37 million in education dollars and the costs that may be incurred through mismanagement of unregulated trust funds at the school level.

Benefit/Cost: 68

Not including long-term benefits

**Benefit-Cost Report for Programs within USOE
(In compliance with SB 2 of the 2012 Legislature)**

Section: Special Education Services

Description of Section Functions, Programs and Statutory provisions fulfilled:

The Utah State Office of Education Special Education Services section provides oversight of programs on behalf of the 70,500+ students with disabilities ages 3-21 in Utah to ensure that eligible students with disabilities receive a free appropriate public education (FAPE) and progress in the general education curriculum. This is accomplished through the implementation of the Utah State Board of Education Special Education Rules and the Individuals with Disabilities Education Improvement Act (IDEA) of 2004.

This section also administers the Carson Smith Special Needs Scholarship and the Paraeducator to Teacher Scholarship Program (PETTS). The Carson Smith Scholarship for Special Needs Students provides funding for eligible students at eligible private schools and serves approximately 750 students annually. The PETTS provides resources for qualified paraeducators to become licensed educators and from 2009 through 2011 resulted in 44 paraeducators working towards educator licensure.

All activities of this section are directly linked back to state and federal requirements, such as:

- 53A-15-301 through 53A-15-305 (Education of Children with Disabilities)
- 53A-15-1005 (Services to Students with Disabilities)
- 53A-24-114 (Governor's Committee on Employment of People with Disabilities)
- 53A-25a-101 through 53A-25a-106 (USDB/Blind Persons' Literacy)
- 53A-25b-101 through 53A-25b-501 (USDB)
- 53A-26a-101 through 53A-26a-503 (Interpreter Services)
- 53A-17a-111 through 53A-17a-112 (Students with Disabilities)
- 53A-17a-158 (Stipends for Special Educators for additional days of work)
- 53A-1a-701 through 710 (Carson Smith Special Needs Scholarship)
- 53A-6-802 (Paraeducator to Teacher Scholarship Program (PETTS))
- USBE Board Rule 277-602 Carson Smith Special Needs Scholarship
- USBE Board Rule R277-438 Dual Enrollment
- USBE Board Rule R277-504 Licensure
- USBE Board Rule R277-525 Special Educator Stipends
- USBE Board Rule R277-750 Education Programs for Students with Disabilities
- USBE Board Rule R277-751 Special Education Extended School Year
- USBE Board Rule R277-800 USDB
- USBE Board Rule R277-526-1 Paraeducator to Teacher Scholarship Program (PETTS)
- State Board of Education Special Education Rules
- Individuals with Disabilities Education Improvement Act of 2004 (34 CFR 300, 303)

State and/or Federal Regulatory Functions Performed by the Section:

The IDEA and Utah State Board of Education Special Education Rule implementation is accomplished through the following activities completed by the Utah State Office of Education Special Education Services section:

- Collecting and reporting state and federal data
- Writing and implementing policy and procedures to ensure compliance with IDEA and Utah State Board of Education Special Education Rules
- Monitoring of IDEA compliance in LEAs and state-funded private placements
- Ensuring that state assessments, alternate assessments, and accommodations are available

- and appropriate for all students with disabilities
- Ensuring that all educators working with students with disabilities are appropriately licensed/endorsed for their assignment
- Disability specific activities (e.g., autism, intellectual disabilities, learning disabilities, sensory disabilities, etc.) to ensure that students with disabilities receive a free appropriate public education
- Technical assistance to parents, advocates, and LEAs
- Completion of state performance plan (SPP) and annual performance report (APR) activities and reports
- General supervision of IDEA compliance, fiscal compliance, and dispute resolution
- Provide professional development to Utah general educators, special educators, paraeducators, related service providers, administrators, and parents regarding IDEA and specialized instruction
- Communication and completion of activities (required by federal and state statute to coordinate services) with other state-agencies such as DSPD, DSBVI, DSDHH, USOR, DOH, DCFS, USDB, JJS, and Dept. of Corrections
- Coordination with other USOE sections to ensure that students with disabilities are considered and included in policy decisions

The Carson Smith Special Needs Scholarship and Paraeducator to Teacher Scholarship Program implementation is accomplished through the following activities completed by the Utah State Office of Education Special Education Services section:

- Accept and process applications for paraeducators, eligible students, and private schools
- Provide professional development for LEAs, private schools, and parents
- Monitor private schools and LEA notifications
- Process documentation of eligibility, application, and progress
- Calculate and distribute funding
- Monitor use of funds for compliance with State Law

State and/or Federal Reporting Requirements Performed by the Section:

The Utah State Office of Education Special Education Services section is responsible to complete the State Performance Plan (SPP) and Annual Performance Report (APR), which includes reporting on over 20 SPP/APR Indicators regarding:

- Graduation rates of students with disabilities
- Dropout rates of students with disabilities
- Assessment result and participation rates of students with disabilities
- Discipline data for students with disabilities
- Least restrictive environments for ages 3-5 and 6-21
- Preschool outcomes for students with disabilities ages 3-5
- Parent survey results
- Disproportionality (i.e., overrepresentation of students from specific subgroups (disability category, race/ethnicity within each LEA)
- IDEA compliance data
- Dispute resolution data for IEP facilitations, mediations, State complaints, and due process hearings

In addition, this section completes ongoing 618 data collections at the state level, which are also submitted federally. The IDEA, statute, and Utah State Board of Education Special Education Rule

implementation is accomplished through the following state and federal reporting activities completed by the Utah State Office of Education Special Education Services section:

- Collecting and reporting state and federal data (i.e., child count, educational environments, personnel, exiting, discipline, dispute resolution, assessment, maintenance of effort, and coordinated early intervening services)
- Coordination of state data with EdFacts reporting system for accuracy
- Completion of state performance plan (SPP) and annual performance report (APR) activities and reports
- Creation of annual LEA reports based on APR data
- Completion of annual LEA determinations

The Carson Smith Special Needs Scholarship and Paraeducator to Teacher Scholarship Program implementation is accomplished through the following activities completed by the Utah State Office of Education Special Education Services section:

- Annual reporting to the Utah State Board of Education and the Utah Legislature on the results of both activities

Benefits Provided by the Program or Section:

The work of the Utah State Office of Education Special Education section benefits not only students with disabilities in the state, but also students without disabilities and the public. Students with disabilities are provided with special education and related services that allow them to progress in the Utah Core Standards, graduate/complete school with academic and life skills, and work towards further education or careers. School staff is provided with professional development on high quality instruction and the use of data to inform instruction/select interventions that may be used with a wide population of students, thereby allowing more students to succeed in school and in later life. The public interacts with educated students who leave school with functional and academic skills, reducing the need for later reliance on state/federal programs or funds. For instance, some students who leave school without necessary skills and supports require ongoing support from taxpayers (e.g., cost of \$69,071 for residential supports per applicant, based on Utah Dept. of Human Services Annual Report, 2011).

A portion of federal IDEA funds are able to be used in LEAs to support early intervening programs to address the needs of at-risk student populations prior to a need for special education.

Source and Amount of Funding (Education Fund, Federal Funds, Etc.):

• State Education Funds (100 % distributed to LEAs)	\$ 255,269,000
• IDEA Federal Funds (94-96% distributed to LEAs)	\$ 112,944,952
• Other (Describe): (97% CSS distributed to families, 100% P2T distributed to LEAs)	\$ 3,750,000 (Carson Smith Scholarship Program) \$ 24,500 (Paraeducator to Teacher Scholarships)
Total Funding	<hr/> \$ 357,137,238

Section Costs: Costs detailed below include costs incurred at USOE for the administration of the section and statewide activities. The remaining funds (\$348,879,111) are distributed to LEAs for the implementation of services to students. All state special education funds are distributed to LEAs. Only a portion of IDEA and Carson Smith Special Needs Scholarship funds are used for administration of the

programs.

• Personnel Costs	\$ 1,675,268
• Travel Expenses	\$ 59,335
• Current Expenses	\$ 1,235,047
• Other Charges	\$ 3,247,321
Total Costs	\$ 6,216,971

Implications if the Section were not to provide the above noted functions or programs:

Failure of the USOE to fulfill the requirements of IDEA, 53A-15-301 through 305, and Utah State Board of Education Special Education Rules would render Utah ineligible for financial assistance under Part B of the IDEA and Section 619 of the IDEA, resulting in a loss of \$112,944,952 to Utah LEAs. This will have a direct and significant impact on the 70,500+ students with disabilities in the state by reducing LEA school and classroom staff, educational instruction and accommodations, and the availability of accessible assistive technology and materials. This reduction will in turn reduce educational performance of students with disabilities and high school graduation rates, with more students staying in the public school system through age 21 and will increase the costs of providing additional and ongoing post-school services to students who leave the public education system unskilled.

Failure to administer the Carson Smith Special Needs Scholarship and PETTS would result in the USOE being noncompliant with Utah Legislative direction, and would result in a loss of \$3,774,500 in state funding which goes directly to families of students with disabilities selecting a private school placement to meet their child's unique educational needs, which would impact over 750 students with special needs served in a parental choice private placement and a loss of up to 45 future trained educators annually. The USOE only retains 2.6% necessary to administer the program.

Estimated Program or System Savings from Section Functions:

Utah LEAs receive significant **system cost savings** from the implementation of USOE special education section functions in the areas of:

- Dispute Resolution activities between LEA and parents (\$500,000 legal costs)
- Technical Assistance (\$2,500,000)
- Professional Development (\$5,000,000)
- Fiscal Monitoring (\$200,000 if privately contracted)

These amounts are estimated based upon current costs and the current economy of scale.

Utah LEAs receive **significant program cost savings** from the implementation of USOE special education section functions in the areas of:

- APR (\$25,000)
- Monitoring (\$10,000 per LEA)
- Dispute Resolution (\$8,000 per LEA per occurrence)
- Technical Assistance (\$40,000 per LEA)
- Professional Development (\$50,000 per LEA)
- Fiscal Monitoring (\$10,000 per LEA)

These amounts are estimated based upon current costs and the current economy of scale.

Estimated Program or System Cost Avoidance from Section Functions:

LEAs are able to **avoid program costs** as the result of implementation of section functions in the areas of:

- Returning funds for maintenance of effort (\$619,000 per LEA)

LEAs are able to **avoid system costs** as the result of the implantation of section functions in the areas of:

- Dispute resolution (\$2,800 per LEA)
- Additional costs related to correcting and repaying misuse of special education funds (\$3,000 per LEA)

Estimated Alternative Costs if the Section Functions or Programs were not performed:

- Compensatory Education (\$200,000)
- Legal action related to the denial of FAPE (\$600,000)
- Reimbursement for private school placement resulting from denial of FAPE (\$500,000)

Summary of Costs and Benefits:

The USOE received increased collections of \$112,944,952 from the US Department of Education for the implementation of section functions. LEAs receive increased collections of \$106,727,981 after the USOE Special Education Section administrative costs. The work of this section allows LEAs to focus on working with students with disabilities and meeting their needs, rather than using their finite resources for administrative responsibilities to the state and federal government. This has allowed the USOE to build an effective and proactive general supervisory system of monitoring and dispute resolution, resulting in few disputes and increased funding available for student services. The section is efficient and has ongoing contact with all LEAs, allowing for frequent and timely responses to LEA needs for technical assistance and professional development.