

**PUBLIC EDUCATION FOUNDATION**

**AMENDMENTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Sheryl L. Allen**

Senate Sponsor: Dan R. Eastman

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the State System of Public Education relating to the financial accountability of school district foundations.

**Highlighted Provisions:**

This bill:

▸ requires school district foundations to report certain financial information to schools;

**§→ ▸ prohibits a school district foundation from engaging in certain political activities; ←§**

▸ requires a local school board that establishes a foundation to require the foundation to follow certain accounting, purchasing, and check issuance policies; and

▸ makes technical corrections.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**53A-4-205**, as last amended by Laws of Utah 1999, Chapter 225

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*Be it enacted by the Legislature of the state of Utah:*



28 Section 1. Section 53A-4-205 is amended to read:

29 **53A-4-205. Establishment of public education foundations -- Powers and duties --**  
 30 **Tax exempt status.**

31 (1) State and local school boards may establish foundations to:

32 (a) assist in the development and implementation of the programs authorized under this  
 33 part to promote educational excellence; and

34 (b) assist in the accomplishment of other education-related objectives.

35 (2) A foundation established under Subsection (1):

36 (a) may solicit and receive contributions from private enterprises for the purpose of this  
 37 part;

38 (b) shall comply with Title 51, Chapter 7, State Money Management Act, and rules  
 39 made under the act;

40 (c) has no power or authority to incur contractual obligations or liabilities that  
 41 constitute a claim against public funds except as provided in this section;

42 (d) may not exercise executive, administrative, or rulemaking authority over the  
 43 programs referred to in this part, except to the extent specifically authorized by the responsible  
 44 school board;

45 (e) is exempt from all taxes levied by the state or any of its political subdivisions with  
 46 respect to activities conducted under this part; [~~and~~]

47 (f) may participate in the Risk Management Fund under Section 63A-4-204[~~;~~];

48 (g) shall provide a school with information detailing transactions and balances of funds  
 49 managed for that school; ~~§~~ → [~~and~~] ← ~~§~~

50 (h) shall, for foundation accounts from which monies are distributed to schools,  
 51 provide all the schools within a school district information that:

52 (i) details account transactions; and

53 (ii) shows available balances in the accounts ~~§~~ → [~~;~~] ; and

53a (i) may not:

53b (i) engage in lobbying activities;

53c (ii) attempt to influence legislation; or

53d (iii) participate in any campaign activity for or against:

53e (A) a political candidate; or

53f (B) an initiative, referendum, proposed constitutional amendment, bond, or any other  
 53g ballot proposition submitted to the voters ←~~§~~

54 (3) A local school board that establishes a foundation under Subsection (1) shall:

- 55           (a) require the foundation to:
- 56           (i) use the school district's accounting system; or
- 57           (ii) follow written accounting policies established by the board;
- 58           (b) review and approve the foundation's accounting, purchasing, and check issuance

59 policies to ensure that there is an adequate separation of responsibilities; and  
60 (c) approve procedures to verify that issued foundation payments have been properly  
61 approved.

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**Legislative Review Note**  
**as of 1-3-08 10:58 AM**

**Office of Legislative Research and General Counsel**

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**H.B. 112 - Public Education Foundation Amendments**

**Fiscal Note**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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