Local Education Agency Financial Reporting

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

LONG TITLE

Committee Note:

The Education Interim Committee recommended this bill.

Legislative Vote: 15 voting for 0 voting against 4 absent

General Description:

This bill amends provisions related to the Utah Public Finance Website and financial reporting for education.

Highlighted Provisions:

This bill:

- defines terms;
- requires the use of common naming conventions;
- clarifies what qualifies as public financial information for a local education agency; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

67-3-12, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

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

Section 1. Section **67-3-12** is amended to read:

67-3-12 . Utah Public Finance Website -- Establishment and administration -- Records disclosure -- Exceptions.

(1) As used in this section:

(a) "Common naming convention" means a standardized set of job titles and position classifications the Office of the State Auditor creates to ensure consistent reporting of

payroll compensation data across each qualifying entity.

[~~(a)~~] (b)(i) Subject to Subsections [~~(1)(a)(ii)~~] (1)(b)(ii) and (iii), "independent entity" means the same as that term is defined in Section 63E-1-102.

(ii) "Independent entity" includes an entity that is part of an independent entity described in Subsection [~~(1)(a)(i)~~] (1)(b)(i), if the entity is considered a component unit of the independent entity under the governmental accounting standards issued by the Governmental Accounting Standards Board.

(iii) "Independent entity" does not include the Utah State Retirement Office created in Section 49-11-201.

[~~(b)~~] (c) "Local education agency" means a school district or charter school.

[~~(c)~~] (d) "Participating local entity" means:

(i) a county;

(ii) a municipality;

(iii) the State Fair Park Authority, created in Section 11-68-201;

(iv) a special district under Title 17B, Limited Purpose Local Government Entities - Special Districts;

(v) a special service district under Title 17D, Chapter 1, Special Service District Act;

(vi) a housing authority under Title 35A, Chapter 8, Part 4, Housing Authorities;

(vii) a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act;

(viii) except for a taxed interlocal entity as defined in Section 11-13-602:

(A) an interlocal entity as defined in Section 11-13-103;

(B) a joint or cooperative undertaking as defined in Section 11-13-103; or

(C) any project, program, or undertaking entered into by interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act;

(ix) except for a taxed interlocal entity as defined in Section 11-13-602, an entity that is part of an entity described in Subsections [~~(1)(c)(i)~~] (1)(d)(i) through (viii), if the entity is considered a component unit of the entity described in Subsections [~~(1)(c)(i)~~] (1)(d)(i) through (viii) under the governmental accounting standards issued by the Governmental Accounting Standards Board;

(x) a conservation district under Title 17D, Chapter 3, Conservation District Act; or

(xi) a governmental nonprofit corporation under Title 11, Chapter 13a, Governmental Nonprofit Corporations Act.

[~~(d)~~] (e)(i) "Participating state entity" means the state of Utah, including its executive,

legislative, and judicial branches, its departments, divisions, agencies, boards, commissions, councils, committees, and institutions.

(ii) "Participating state entity" includes an entity that is part of an entity described in Subsection (1)(d)(i), if the entity is considered a component unit of the entity described in Subsection [~~(1)(d)(i)~~] (1)(b)(i) under the governmental accounting standards issued by the Governmental Accounting Standards Board.

[~~(e)~~] (f) "Public finance website" or "website" means the website established by the state auditor in accordance with this section.

[~~(f)~~] (g)(i) "Public financial information" means each record that is required under this section or by rule made by the Office of the State Auditor under Subsection (9) to be made available on the public finance website, a participating local entity's website, or an independent entity's website.

(ii) "Public financial information" does not include an LEA's financial disbursements to a third-party contractor or vendor who is not an employee of the LEA.

[~~(g)~~] (h) "Qualifying entity" means:

(i) an independent entity;

(ii) a participating local entity;

(iii) a participating state entity;

(iv) a local education agency;

(v) an institution of higher education as defined in Section 53H-1-101;

(vi) the Utah Educational Savings Plan created in Section 53H-10-202;

(vii) the Utah Housing Corporation created in Section 63H-8-201;

(viii) the School and Institutional Trust Lands Administration created in Section 53C-1-201;

(ix) the Utah Capital Investment Corporation created in Section 63N-6-301; or

(x) a URS-participating employer.

[~~(h)~~] (i)(i) "URS-participating employer" means an entity that:

(A) is a participating employer, as that term is defined in Section 49-11-102; and

(B) is not required to report public financial information under this section as a qualifying entity described in Subsections (1)(g)(i) through (ix).

(ii) "URS-participating employer" does not include:

(A) the Utah State Retirement Office created in Section 49-11-201;

(B) an insurer that is subject to the disclosure requirements of Section 31A-4-113;

(C) a private nonprofit organization that is not a public employees' association; or

(D) a withdrawing entity.

[~~(i)~~] (j)(i) "Withdrawing entity" means:

(A) an entity that elects to withdraw from participation in a system or plan under Title 49, Chapter 11, Part 6, Procedures and Records;

(B) until the date determined under Subsection 49-11-626(2)(a), a public employees' association that provides the notice of intent described in Subsection 49-11-626(2)(b); and

(C) beginning on the date determined under Subsection 49-11-626(2)(a), a public employees' association that makes an election described in Subsection 49-11-626(3).

(ii) "Withdrawing entity" includes a withdrawing entity, as that term is defined in Sections 49-11-623 and 49-11-624.

(2) The state auditor shall[~~.~~] :

(a) establish and maintain a public finance website in accordance with this section[~~.~~] ;

(b) create and maintain a list of common naming conventions that apply to each qualifying entity; and

(c) ensure that each qualifying entity reporting payroll information selects job titles from the common naming conventions when submitting or updating payroll data.

(3) The website shall:

(a) permit Utah taxpayers to:

(i) view, understand, and track the use of taxpayer dollars by making public financial information available on the Internet for participating state entities, independent entities, participating local entities, and URS-participating employers, using the website; and

(ii) link to websites administered by participating local entities, independent entities, or URS-participating employers that do not use the website for the purpose of providing public financial information as required by this section and by rule made under Subsection (9);

(b) allow a person that has Internet access to use the website without paying a fee;

(c) allow the public to search public financial information on the website;

(d) provide access to financial reports, financial audits, budgets, or other financial documents that are used to allocate, appropriate, spend, and account for government funds, as may be established by rule made in accordance with Subsection (9);

(e) have a unique and simplified website address;

(f) [~~be guided by the~~] use the principles described in Subsection 63A-16-202(2) as guidance;

(g) include other links, features, or functionality that will assist the public in obtaining and reviewing public financial information, as may be established by rule made under Subsection (9);

(h) use common naming conventions for all compensation and payroll data posted to the website; and

[~~(h)~~] (i) include a link to school report cards published on the State Board of Education's website under Section 53E-5-211.

(4) The state auditor shall:

(a) establish and maintain the website, including the provision of equipment, resources, and personnel as necessary;

(b) maintain an archive of all information posted to the website;

(c) coordinate and process the receipt and posting of public financial information from participating state entities; and

(d) coordinate and regulate the posting of public financial information by participating local entities and independent entities.

(5)(a) A qualifying entity shall permit the public to view the qualifying entity's public financial information by posting the public financial information to the public finance website in accordance with rules made under Subsection (9).

(b) Notwithstanding Subsection (5)(a), an LEA is not required to post or report payments made to an independent contractor or other third-party service provider when the payments are for services under a contract.

(6) The content of the public financial information posted to the public finance website is the responsibility of the qualifying entity posting the public financial information.

(7) A URS-participating employer shall provide employee compensation information for each fiscal year ending on or after June 30, 2022:

(a) to the state auditor for posting on the Utah Public Finance Website; or

(b)(i) through the URS-participating employer's own website; and

(ii) via a link to the website described in Subsection (7)(b)(i), submitted to the state auditor for posting on the Utah Public Finance Website.

(8)(a) A qualifying entity may not post financial information that is classified as private, controlled, or protected under Title 63G, Chapter 2, Government Records Access and Management Act, to the public finance website.

(b) An individual who negligently discloses financial information that is classified as private, protected, or controlled by Title 63G, Chapter 2, Government Records Access and Management Act, is not criminally or civilly liable for an improper disclosure of the financial information if the financial information is disclosed solely as a result of the preparation or publication of the website.

(9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Office of the State Auditor:

(a) shall make rules to:

(i) establish which records a qualifying entity is required to post to the public finance website;

(ii) establish and enforce common naming conventions for payroll compensation; and

[~~(ii)~~] (iii) establish procedures for obtaining, submitting, reporting, storing, and posting public financial information on the public finance website; and

(b) may make rules:

(i) governing when a qualifying entity is required to disclose an expenditure made by a person under contract with the qualifying entity, including the form and content of the disclosure; and

(ii) allowing for the inclusion of financial data provided by a participating local entity to be included on the Utah Public Finance Website in a uniform manner.

(10) The rules made under Subsection (9) shall only require a URS-participating employer to provide employee compensation information for each fiscal year ending on or after June 30, 2022:

(a) to the state auditor for posting on the public finance website; or

(b)(i) through the URS-participating employer's own website; and

(ii) via a link to the website described in Subsection (10)(b)(i), submitted to the state auditor for posting on the public finance website.

Section 2. **Effective Date.**

This bill takes effect on July 1, 2026.