

Digest of A Limited Review of the USOE's Use of the Superintendent's Discretionary Fund

The use of the Superintendent's Discretionary Fund by the Utah State Office of Education (USOE) does not appear concerning. Based on a limited expenditure review, fund expenditures appear reasonable. Also, it does not appear that expenditures from this fund circumvented legislative intent.

This review was sparked by events surrounding Senate Bill 154 that was passed by the 2003 Legislature. The 2004 Legislature tried to take back \$1.2 million of Senate Bill 154's appropriation not spent by the USOE and return it to the Uniform School Fund. The attempt was unsuccessful. In discussing what to do with the \$1.2 million, the Executive Appropriations Committee learned that it was possible for legislative appropriations with intent language (like Senate Bill 154) to end up in the Superintendent's Discretionary Fund and be used for another purpose. Consequently, a review of the Superintendent's Discretionary Fund was requested.

The review had two objectives:

1. To determine if expenditures within the Superintendent's Discretionary Fund seem reasonable and;
2. To determine if the Superintendent's Discretionary Fund has been used to circumvent legislative intent.

Fund Expenditures Appear Reasonable. The expenditures made from the Superintendent's Discretionary Fund appear reasonable. For the period from fiscal year 2001 through 2004, we sampled 21 payment vouchers representing expenditures of approximately \$1.1 million. None of the sampled expenditures appeared questionable for USOE to be making.

Circumvention of Legislative Intent Is Not Apparent. We tracked the funds provided for two 2000 General Session bills (House Bills 168 and 177) to test possible circumvention of legislative intent. The unspent balances from two legislative appropriations were not placed into the Superintendent's Discretionary Fund to be spent on discretionary items. Instead, the unspent funds maintained their program identity and were designated for specific expenditures.