

Utah State Board of Education



Office Budget Requests

Fiscal Year (FY 18) Funding Requests

2017 Legislative Session



Committee Motion Requests: 2017 Supplemental Bill to Update FY2017 Indirect Cost Rates

Purpose/Justification:

- USOR moved from USBE to DWS on October 1, 2016.
- USBE met with the US Department of Education and developed a modified indirect cost proposal for FY2017.
- FY2017 proposal corrected noncompliance issues and allocated costs previously paid by USOR to USBE.
- FY2017 rates were approved December 6, 2016.

Specific Requirements/Programming:

- The FY2017 appropriations budget was established with the **FY2016 approved rates of:**
 - 19.1% Unrestricted
 - 10% Restricted
- **FY2017 actual rates are**
 - 25.4% Unrestricted
 - 14.5% Restricted

Performance Measures/Projected Outcomes:

- The Board requests a motion to modify the indirect rate that can be charged to USBE appropriation units where salaries and benefits are charged in FY2017 from 22% to 26% (unrestricted) and from 10% to 15% (restricted).
- The Board requests a committee motion to create a supplemental bill for FY2017 to modify the revenue transfer lines for all appropriation line items to transfer the difference between the approved rate and the new negotiated rate to the ICP pool in PAK.

Impact if not Funded:

- USBE is required to apply the applicable indirect cost rate to all salaries and benefits in the agency.
- These motions do not require new money.
- Transfer will be approximately \$1,658,000.
- Failure to do so could result in unallowable charges and potential repayment of federal funds.



Committee Motion Needed: USBE Office Appropriation Realignment request for new appropriation units in PAAA USBE Office Budget (effective FY2018)

Realignment of Funding By Appropriation Units &

Requesting and Renaming Appropriation Units

USBE requests a realignment of appropriations to the correct units within PAAA Board Office Budget.

For example, the Board line PAK is appropriated \$15 million, the Board, it's staff, and their priorities have budgeted expenditures of \$5.1 million. The remaining funds are allocated to sections within PAAA for management of the programs.

- When realignments were made within the USBE this was never communicated to the LFA to realign funds for years.
- USBE had a practice to direct new funds to appropriation code PAK-the Board's Budget.
- Exhaustive list and crosswalk provided to LFA.
- No new funds are requested.

WHY?

- USBE is enacting cost accounting principles to appropriately match costs with associated revenues.
- Increase transparency.
- Enable USBE to apply financial accountability to performance measures.
- This will speed up and improve the accuracy of budgeting, year end close, and financial reporting.
- Critical implementation step to move budgeting to FINET.



Intent Language –Division of Board Office Functions Update

Stop or Repurpose

- Repurpose \$1,800,000 of UPASS funding to reduce request for ACT 11 and ACT 9 and 10 ASPIRE
- Repurpose hazardous routes \$500,000 into the from/to transportation appropriation unit
- Stop \$275,000 Prostart culinary arts competition
- Stop Financial Literacy \$378,000 ongoing
- Stop Math Teacher Training \$500,000 (ongoing) Designed for secondary math teachers to obtain level 3 or 4 endorsements. Requires a partnership with a University, the university has to obtain a private match. The need has been met and funds are not being utilized.
- Repurpose the Math Teacher Training of \$500,000 to fund the USBE Program Support FTEs. Three positions. One Financial Policy Analyst and one Senior Business Analyst (both in Fiscal Operations), and one Prevention, Discipline and Student Support Specialist (Student Advocacy Services).



USBE Assessment - ACT 11 \$578,000 (On-Going)

Purpose/Justification:

National college admissions examination

Subject areas: English, mathematics, reading, and science

Most commonly submitted to local universities

Required by Utah Code **§53A-1-611** **Number of Students**

Specific Requirements/Programming:

Number of Students	50,986	52,586	54,186
	FY2018	FY2019	FY2020
Cost of test \$51, with growth & mandatory test	2,600,286	2,681,886	2,763,486
FTE program support (increased by 3% annually)	40,000	40,000	40,000
Projected fiscal year costs	136,990	141,100	145,333
Total Projected Costs	2,777,276	2,862,986	2,948,819
Base Budget Revenue:	2,200,000	2,777,276	2,862,986
Increased Funding Needed:	577,276	85,710	45,833

Performance Measures/Projected Outcomes:

- State Board of Education shall require a school district or charter school to administer a test adopted under Subsection [\(3\)\(a\)](#) to all students in grade 11. (53-A-1-611, (4) (a))
- The multiple-choice tests cover four skill areas: English, mathematics, reading, and science. The optional Writing Test measures skill in planning and writing a short essay.
- ACT results accepted by Utah colleges and universities.
- The ACT includes 215 multiple-choice questions and takes approximately 3 hours and 30 minutes to complete with breaks. Actual testing time is 2 hours and 55 minutes (or approximately 3 hours and 40 minutes if you take the Writing Test).
- It is anticipated that ACT use in accountability measures will increase percent of student participation.

Impact if not Funded:

Requirement in Utah Code §53A-1-611(4)

USBE has adopted ACT

Enrollment growth: Utah experiences (2-3%) student growth annually.

- Past calculation of student growth resulted in, “flat,” appropriation—more students are enrolled and more students are taking the test(s)
- Student growth from year to year can fluctuate



USBE Assessment - ACT 9-10 \$1,015,000 (On-Going + growth 2%) Repurpose UPASS \$1,800,000

Purpose/Justification:

Standards-based system of assessments

Monitor progress toward college and career readiness

Replaces SAGE summative assessment ELA/Literacy, Math and Science at the **9th and 10th grades**

Specific Requirements/Programming:

Base Budget	0	\$0.00	\$2,815,000.00	\$2,877,690.00
Increased funding request		\$2,815,000.00	\$62,690.00	\$62,845.70
Enrollment	FY2017	FY2018 (102,480)	FY2019 (104,780)	FY2020 (107,080)
Cost of test \$25, with student growth	0	\$2,562,000.00	\$2,619,500.00	\$2,677,000.00
FTE program support (increased by 3% annually)	FTE moved from SAGE support	\$173,000.00	\$178,190.00	\$183,535.70
Assessment program support	training/materials/support	\$80,000.00	\$80,000.00	\$80,000.00
Total Costs		\$2,815,000.00	\$2,877,690.00	\$2,940,535.70

Performance Measures/Projected Outcomes:

Align with the ACT College Readiness Benchmarks at the 11th grade

Predicts outcomes on the ACT

Subject areas: English, math, reading, science, and writing (grades 9–10)

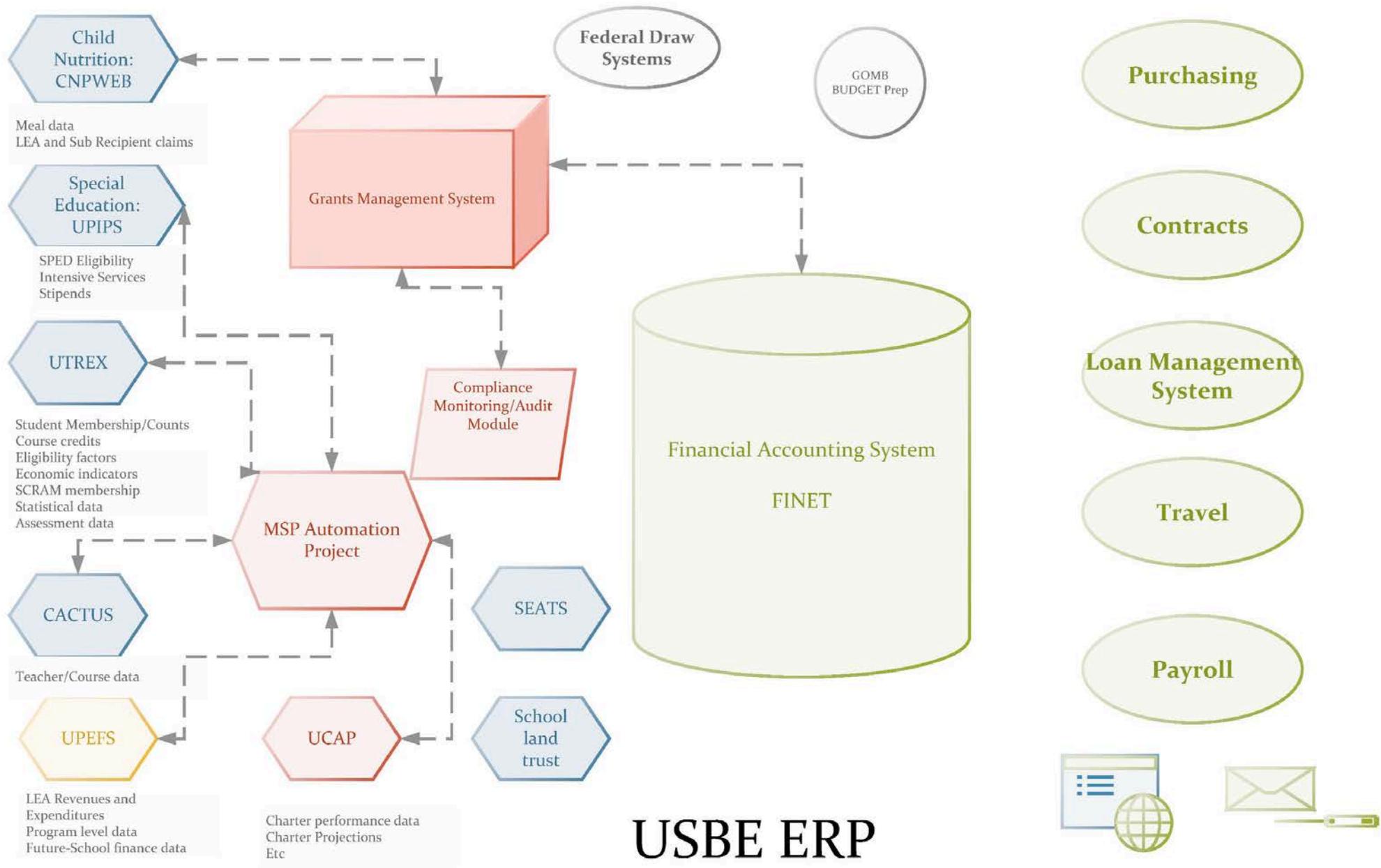
Impact if not Funded:

U-PASS definition and requirements contained in Utah Code **§53A-1-603**

Mastering basic skills: statewide criterion-referenced ... or computer adaptive tests in grades 3 through 12 and courses in basic academic subjects of the core standards

- ACT Aspire would replace SAGE grades 9,10,
- If unfunded, USBE would continue to assess students using SAGE assessments in grades 9, 10.

Enrollment growth: Utah experiences student growth annually.





AIR Licensing Fees Set Aside up to \$1,500,000 –intent language needed

Purpose/Justification (the why):

- A fully integrated Enterprise Resource Planning (ERP) system is necessary to ensure accuracy and reliability in funds control, budget formulation, budget reporting, internal controls, and cost accounting at the USBE office level.
- The ERP will interface with FINET and the Grants Management System at the State Level.
- ERP systems enables precision and accuracy in matching funding to outcomes and quality decision making processes.

Specific Requirements/Programming:

- The estimate for a fully integrated ERP is: \$7-\$7,500,000.00
- \$4,431,300 is set aside from the 2016 session.
- \$500,000 set aside from the USBE Carry Forward from SFY 16.
- The USBE requests legislative support and action to set aside \$1,500,000 from future proceeds from the sale of SAGE test questions.
- 2016 legislative action placed \$500,000 towards a Grants Management System with State Finance which is an integral part of a fully functional ERP.

Performance Measures/Projected Outcomes:

- Reduce paper documents by providing on-line formats for quickly entering and retrieving information
- Greater accuracy of information with detailed content, better presentation, satisfactory for the auditors
- Improved cost control and outcomes reporting
- Faster response and follow-up
- More efficient cash collection
- Better monitoring and quicker resolution of queries
- Enables quick response to change in formulas, appropriations, or business models

Impact if not Funded:

- USBE will operate in sub-systems such as spreadsheets increasing risk of error and, "single employee knowledge"
- Ability to override controls
- Longer processing of monthly reconciliations and year-end close
- Increased risk of errors in grants management resulting in penalties
- Increased need to, "rework," transactions
- Continuing risk of miscoding of expenditures resulting in misreporting of the use of funds
- Extended hours spent on data gathering from multiple systems for analysis and decision making purposes



Financial Operations – Program Support \$329,000 (Ongoing)

Purpose/Justification (the why):

Fiscal Operations Senior Business Analyst:

- Part of implementation team for Grants Management System
- Help with the implementation of FINET and other systems as we further develop the ERP.
- Assist with completion of MSP Automation, UPEFS, etc.

Fiscal Operations Financial Policy Analyst:

- Manage legislative requests and fiscal notes during legislative session.
- Manage fiscal portions of intent language reports, legislative reports.
- Develop and assess fiscal elements of performance measures for USBE and LEAs.
- Assist with compliance monitoring and other fiscal policy training issues.

Specific Requirements/Programming:

Fiscal Operations Senior Business Analyst

\$154,000 ongoing FTE/indirects

Fiscal Operations Financial Policy Analyst

\$175,000 ongoing FTE/indirects

Performance Measures/Projected Outcomes:

- Both positions will enable the USBE to implement systems that increase transparency and efficiency agency wide.
- LEAs will experience increased efficiency when using the grants management system to both manage programs and process reimbursements.
- USBE will be able to collect data on fiscal performance measures and analyze financial data from LEAs to better inform policy decisions.

Impact if not Funded:

- Significant delay in implementation and total adoption of grants management system.
- Delays in implementation of FINET and ERP transition, MSP Automation, integrating fiscal data collection agency wide.
- Fiscal Operation staff are working extreme hours of comp time to keep up with legislative and other stakeholder requests, data, reporting, and day to day activities.
- Staff burnout and turnover is high.
- Risk of failure and error increases with burnout and turnover rates.



Prevention, Discipline, and Student Support Specialist \$154,000 (on-going)

Purpose/Justification (the why):

Although Student Advocacy Services Department is designed to support the whole child, there are gaps in the areas of:

- bullying
- discipline
- substance abuse
- trauma informed practices
- restorative justice
- school based mental health
- crisis post-vention
- additional suicide prevention

Specific Requirements/Programming:

1 Education Specialist- Salaries, benefits, and indirect costs = \$154,000 (on-going)

- to monitor compliance and performance of state prevention, discipline and school climate based programs
- gather data and analytics to determine best practices for student outcomes
- identify challenges in the student's academic performance and social-emotional health
- work to solve challenges through direct services to students
- assist schools and educators in creating a school environment that is best suited to the educational and emotional needs of the student

Performance Measures/Projected Outcomes:

- Increased implementation of LEA's data and tracking sources
- Compliance monitoring with programmatic and financial expertise
- Better compliance with state and federal regulations:
 - Schoolwide Positive Behavioral Interventions
 - Child Sexual Abuse Awareness and Prevention
 - Promoting Supportive School Discipline
 - Suicide Prevention
 - Preventing Bullying and Harassment
 - School Dropout Prevention
 - Drug and Violence Prevention
 - School-Based Health and Mental Health Services
 - SafeUT school training support

Impact if not Funded:

- **Potential federal compliance issues with understanding and implementing ESSA regulations**
- Policies not established, training and monitoring limited
- Decreased opportunities for LEA's to offer student supports for prevention services
- Limited services to LEAs on SafeUT management





Student Data Privacy Program \$800,000 (Ongoing)

Purpose/Justification (the why):

The Utah State Board of Education (USBE) and Local Education Agencies (LEAs) are stewards of sensitive student data. The Student Data Protection Act (Title 53A, Chapter 1, Part 14) requires the following:

- USBE statewide Data Governance Plan
- State-level and LEA-level Metadata Dictionary
- Provide training to LEAs and schools in student data protection
- Audit USBE and LEA compliance of student data protection
- LEAs must develop and post a Data Governance Plan, Metadata Dictionary, and provide annual training

Last year, the Legislature passed HB 358, which requires USBE to hire 3-4 FTEs, but only appropriated one-time money to develop the metadata dictionary. USBE needs ongoing funding to fully implement the program.

Specific Requirements/Programming:

On-Going Funding requirements in order to meet the requirements of the Student Data Protection Act:

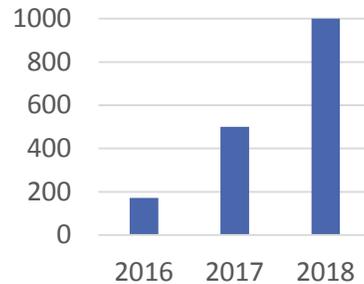
- Metadata Dictionary Maintenance (\$60,000)
- Metadata Dictionary Specialist (\$120,000 + \$20,000 Travel and Resources)
- 3 FTE Privacy Trainers (\$360,000 + 50,000 Travel and Resources)
- 1 FTE Privacy Auditor (\$140,000 + 50,000 Travel and Resources)

One-Time Funding:

- Metadata Dictionary Development (\$350,000)
- USBE IT Security Systems Updates (\$210,000)

Performance Measures/Projected Outcomes:

- Increase number of USBE staff trained on Data Security and Privacy
 - Baseline: 15% as of January 1, 2017
 - Goal: 100% trained by June 30, 2017
- Develop USBE Data Governance Policy
 - Baseline: Outdated policy
 - Goal: Approved by June 30, 2017
- Increase Outreach to LEAs on Student Data Security and Privacy
 - Baseline: 172 trained in 2016-2017
 - Goal: 500 LEA staff trained by June 30, 2017; 1000 by June 30, 2017



Impact if not Funded:

If not fully funded, USBE will not be able to comply with the Student Data Protection Act.

Without strong policies and outreach to LEAs, student data security and privacy will be compromised. The public's trust in USBE, school districts, and charter schools to protect student data will significantly decrease. Without USBE creating and implementing "best practices" school districts and charter schools are also less likely in their ability to comply with state statute.



School Children's Trust-Request for transfer for SFY 18 indirect cost pool \$66,500 (ongoing)

Purpose/Justification (the why):

- Indirect Costs have increased from 19.1% to 25.4% over the past year
- SB109 (2016GS) included review of each school community council's compliance with state law and USBE rule
- Ongoing increases in website cost were only funded one-time

Specific Requirements/Programming:

- School LAND Trust program is paperless – requires ongoing website programming and maintenance
- School Children's Trust Section is required to administer the School LAND Trust program, train local school boards, districts, charter schools and school community councils
- School Children's Trust Section also statutorily provides independent oversight on management of school trust land and funds

Performance Measures/Projected Outcomes:

With the increase, the School Children's Trust section will be able to continue to provide statewide training, increasing offerings as needed, and will be able to perform the newly required compliance reviews, which were deemed necessary because of the increased distribution from the School LAND Trust program.

Impact if not Funded:

- Decrease in training opportunities, with less comprehensive compliance reviews
- Website historical query may not be programmed
- Decrease in FTE for section – currently 4.0 FTE – In 2008 section operated with 5.0 FTE with an annual program distribution of \$25.3M. Estimated program distribution next year is \$64.2M