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February 2020


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Financial Management & Oversight

2020 GS | Issue Highlights

Highlights

- Reports of USBE Discovering Unallowable Costs in LEAs
 - Impacts Districts & Charters
 - Closure of Charter School
- Potential Issue in State & Federal Programs
 - Formula Allocation Programs
 - Special Education & Title I (Federal Only)
- State Level Issues for Consideration by Subcommittee
 - Nature & Implementation of Restricted Funds Designated by the Legislature
 - Ramifications of Non-Compliance with Restrictions
 - LEA Retention of Balances at Year-End
- What Does Statute Say About These Issues?



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Statutory Highlights

2020 GS | Budget Restrictions & MSP Flexibility

General Restriction on Appropriations

- Budgetary Procedures Act – [63J-1-206](#)
 - (2)(a) Appropriations are Subject to Any Schedule of Programs and Restrictions as Designated by the Legislature
 - (2)(d) Money Appropriated to a Schedule of Programs or Restriction Used for Authorized Purposes Only
 - (2)(c)(ii) State Superintendent May Transfer Between MSP Line Items as Designated in [53F-2-205](#)

Minimum School Program Adjustments

- Authority to USBE – [53F-2-205](#)
 - Exception to 63J-1-206
 - Allows the USBE to Adjust Program Funding Levels & Transfer Between Line Items & Programs in Limited Cases
 - Maintain the WPU Value for Programs
 - Support the State Guarantee for Voted & Board Local Levy Programs
 - Support the State Supplement to Local Property Taxes Allocated to Charter Schools (Local Replacement)
 - Support an LEA with a Loss in Student Enrollment as Provided in [53F-2-207](#)



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Statutory Highlights

2020 GS | Special Education & Flexibility in State Revenue Deficit

Special Education Restrictions

- WPU Programs for Students with Disabilities – [53F-2-307](#)
 - (2) Money Allocated to LEAs is Restricted and Shall be Spent for the Education of Students with Disabilities
 - (3) State Board Shall Establish and Strictly Interpret Definitions and Provide Standards in Determining Students and Services Provided
 - (6) If Money Appropriated for MSP Does Not Meet the Costs, Each LEA Shall First Receive Amount Generated for Each Student with a Disability

State Revenue Deficit

- Reduction to LEA Allocations Based on Insufficient Revenues – [53F-2-203](#)
 - If the Legislature Makes Reductions Due to Education Fund Budget Deficit
 - LEA Boards Shall Determine Impact of Reduction on Programs & Requirement to Spend Certain Amounts Waived, Except:
 - A Special Education Program within the Basic School Program (Among Others)



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Statutory Highlights

2020 GS | State Board of Education Authority – Violations

USBE Authority

- If an Education Entity Violates Public Education Code or Rules – 53E-3-401
 - (8)(a) USBE May do the Following in Accordance to Board Rules:
 - Require a Corrective Action Agreement
 - Temporarily or Permanently Withhold State Funds
 - Require a Payment of Penalty
 - Require Reimbursement of Specified State Funds
 - (b) Penalty and Reimbursements Paid to Uniform School Fund
 - (9) Audit the Use of State Funds by Education Entity



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Financial Management & Oversight

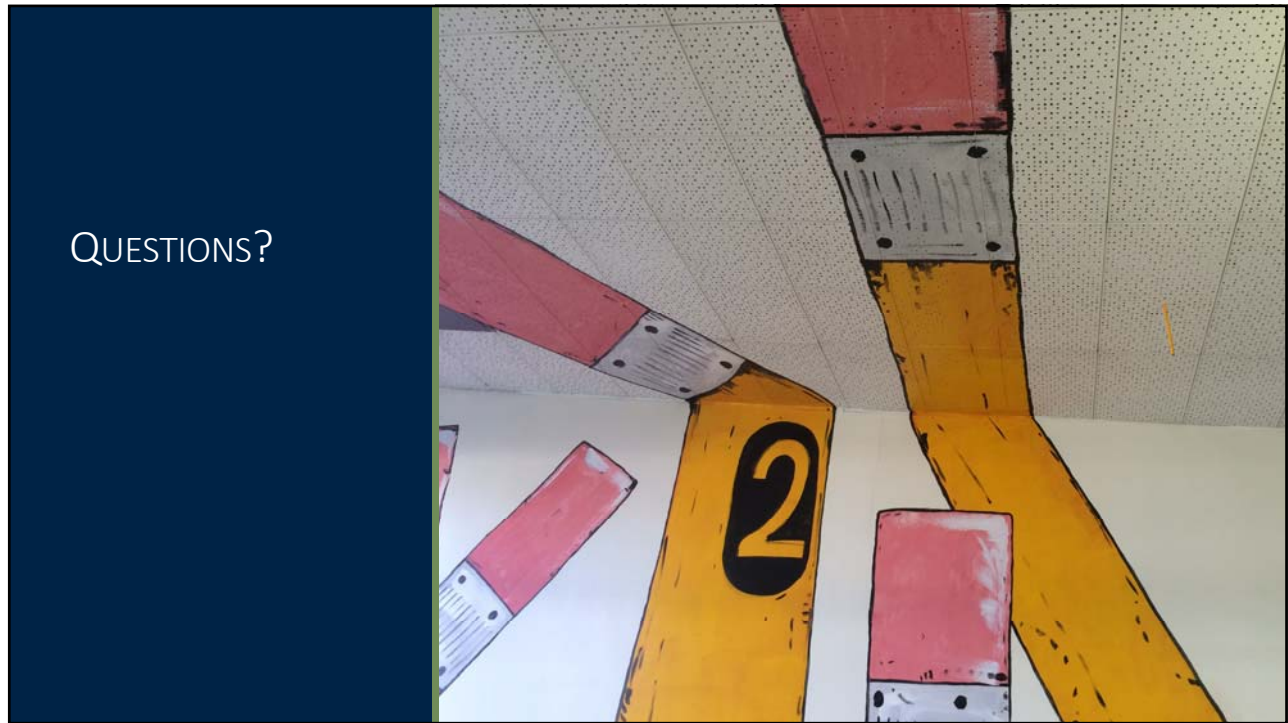
Presentation & Subcommittee Discussion

Discussion Outline

- Focus on General Public Education System Issues – Not Specific Instances
- Improvements in State-Level Financial Management (USBE)
 - Development of Internal Controls
 - Grants Management System
 - Utah School Information Management System (USIMS)
- Recent Findings of Unallowable Expenses & Unrestricting of State Funds (USBE)
 - Impacts on LEAs | State/Federal Penalties
 - USBE Procedures/Actions
- State Board of Education Task Force (USBE)
- Steps to Improvement
 - House Bill 242: Charter School Operations Amendments
 - House Bill 67: Local Education Agency Financial Information Systems
 - USBE | SCSB Answer Questions
- Subcommittee Discussion



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