



School Finance Updates  
May 2021

Utah State Board of Education

# Senate Bill 178

## Education Deadline & Fiscal Flexibility

### **53F-2-209. Limited LEA budgetary flexibility.**

144 (1) Notwithstanding any other provision of the Utah Code, for fiscal year 2021:

145 (a) except as provided in Subsection (1)(b), an LEA may:

146 (i) use up to 35% of the LEA's state restricted funding for each formula-based program

147 to flexibly and without restriction respond to changing circumstances and student needs

148 resulting from the COVID-19 emergency, as that term is defined in Section [53-2c-102](#);

149 (ii) transfer fund balances between funds as necessary to flexibly expend funds as

150 described in Subsection (1)(a)(i); and

151 (b) an LEA may not:

# Senate Bill 178 cont.

## **53F-2-209. Limited LEA budgetary flexibility.**

151 (b) an LEA may not:

152 (i) transfer funds under Subsection (1)(a)(i) related to a qualified grant program; or

153 (ii) expend the transferred funds for capital projects or improvements.

154 (2) Notwithstanding any other provision of the Utah Code, for any funds for which the

155 state imposes restrictions on the use of the funds:

156 (a) any expenditure that would have been required to be made before the end of fiscal

157 year 2021 without the application of this section is extended to fiscal year 2022; and

158 (b) any expenditure that would have been required to be made before the end of fiscal

159 year 2022 without the application of this section is extended to fiscal year 2023.

160 (3) (a) Nothing in this section authorizes an LEA to violate federal law or federal

161 restrictions on the LEA's funds.

162 (b) An LEA that takes an action that this section authorizes shall ensure that the LEA

163 continues to meet federal maintenance of effort requirements.

# Senate Bill 178

## Transfer of Funds

USBE will set up a program for transfer of funds.

Example – “35%...*for each formula-based program*” using the FY21 appropriation amount

\$100,000 appropriation for CTE = \$35,000 from FY21 appropriation and/or prior year balances for the same formula-based program

Cannot use from combined TOTAL of funds/program appropriations. Must be from individual funds.

# SB 1 Enrollment Growth Contingency Program

“To mitigate funding impacts on an LEA resulting from student enrollment irregularities during fiscal years 2021 and 2022...the state board...shall use program funds to:

- 174 (a) for fiscal years 2021 and 2022 and for an LEA that has declining enrollment, pay
- 175 costs associated with Subsection [53F-2-302\(3\)](#) to hold LEA funding distributions at the prior
- 176 year's average daily membership; and
- 177 (b) for fiscal year 2022, fund ongoing impacts of student enrollment changes in the
- 178 2021-2022 academic year, including:
  - 179 (i) assigning additional weighted pupil units to an LEA experiencing a net growth in
  - 180 weighted pupil units over the fiscal year 2022 base allocations associated with student
  - 181 enrollment increases following the student enrollment count;
  - 182 (ii) at the request of an LEA that experienced a significant decline in student
  - 183 enrollment during the 2020-2021 academic year, pre-fund significantly higher anticipated
  - 184 student enrollment growth before the student enrollment count; and
  - 185 (iii) with any remaining weighted pupil units, pay other weighted pupil unit related
  - 186 costs in accordance with Section [53F-2-205](#).
- 187 (4) If the state board pre-funds anticipated student enrollment growth under Subsection
- 188 (3)(b)(ii), the state board shall:
  - 189 (a) verify the LEA's enrollment after the student enrollment count; and
  - 190 (b) balance funds as necessary based on the actual increase in student enrollment.”

# HB 450 Supplemental Educator COVID-19 Stipend Amendments

- Amendments in HB 450 supersede SB 1
- Survey currently out to business administrators to report on funds spent and any remaining funds to be returned, per legislative requirement *“(4) An LEA or RESA that receives an allocation from the state board...shall return any unexpended amounts to the state no later than June 30, 2021.”*
- Once return amounts are verified with LEAs, USBE will invoice for returning of those unexpended funds.

# American Rescue Plan Elementary & Secondary School Emergency Relief ARP ESSER

- Federal Funds to be appropriated in special session next week
- Grant allocations will not be made until mid-June based upon Dept of Education requirements and timelines
- Recommended to budget at 2.25x ESSER II award

# School Finance Economist

- Legislature funded beginning in FY22, USBE economist
- Forecasting for the CDC process (revenues, enrollments)
- Board research projects and reports