
State Fiscal Year (SFY) 17
Budget Formulation for
Utah State Office of Education
Utah Schools for the Deaf and the Blind
Utah State Office of Rehabilitation
Zero-Line Item Budgeting

Formulation by USOE Sections

PAA Programs

- Board of Education
- Internal Auditors
- Administration
- Information Technology
- Internal Accounting
- Assessment and Accountability
- Career and Technology Education
- District Computer Services
- Educational Equity
- ESEA and Special Programs
- Instructional Services Teaching and Learning
- Public Policy-Superintendent
- School Law
- School Finance
- School Trust Lands**
- Special Education
- Licensing Non-Fee Funds
- Student Services

- Aggregate for USOR and USDB

PDA Programs

- Child Nutrition Program

PEA Programs

- Fine Arts POPS

PFA Programs

- Educational Contracts

PGA Programs

- Charter School Board

PHA Programs

- Science

PJA Programs

- Licensing and UPPAC Fees

PKA Programs

- Grants and Contracts

PPA Programs

- Minimum School Program

PZA Programs

- Charter School Finance Authority

School Children's Trust Section

<u>Line Item</u>	<u>SFY 17 REQUEST</u>	<u>State</u>	<u>Federal</u>
Salaries	\$ -	\$ 296,579.52	\$ -
Benefits	\$ -	\$ 165,525.55	
Purchased Services	\$ -	\$ 90,000.00	
Out of State Travel	\$ -	\$ 9,000.00	
In State Travel	\$ -	\$ 7,500.00	
Supplies and Materials	\$ -	\$ 26,900.00	
Unallocated Expenses	\$ -		
Equipment	\$ -	\$ 5,600.00	
Capital Expenditures	<u>\$ -</u>	\$ -	
Indirect Costs		\$ 83,179.00	
Total:	\$ -	\$ 684,284.07	

School Children's Trust Mission Summary

The School Children's Trust Section has three overarching responsibilities:

- 1) Act as the beneficiary representative on behalf of the Utah State Board of Education as it pertains to independent oversight of the school trust lands and school trust funds.
- 2) Manage the School LAND Trust Program.
- 3) Provide education and information to the general public, public school teachers and administrators, legislators, industry, and the media

The section provides beneficiary oversight and review of school trust lands management by the School and Institutional Trust Lands Administration (SITLA) on behalf of the State Board of Education (the primary beneficiary representative for the School Children's Trust granted at statehood by Congress). This involves participating in monthly board meetings, subcommittee meetings of the board, semi-annual board tours of developments on trust lands, meeting regularly with SITLA director and staff regarding potential decisions about trust assets (sales, exchanges, leases, planning and development of trust mineral and surface parcels), monthly reports to the SITLA board on research conducted by this office, etc. This often involves interaction with friendly and adversarial entities and individuals, including legislators and the media, to advocate for the protection and development of trust assets. Much of this takes place in our USOE office, the SITLA office, and other state office buildings such as the capitol complex and the Department of Natural Resources. Some of this work involves travel across the state to see projects taking place on trust lands, and to meet with policymakers, groups, and individuals whether friendly to trust land development or otherwise.

Beneficiary review and input into the investment of the permanent State School Fund by the new School and Institutional Trusts Funds Office and board on behalf of the State Board of Education (the primary beneficiary representative). This involves understanding the potential investments, asset allocations, investment policy, distribution policy, etc. under consideration and approval by the board as well as watching the actual implementation and results. In the past couple of years the main focus on the fund coming from this office has been moving the fund investment from the State Treasurer as the sole investor to a board with an independent office and Chief Investment Officer. Currently the office is working towards changing language in the Utah Enabling Act, Utah Constitution and state code to facilitate a more prudent investment policy. Most of this work takes place in Salt Lake Government Offices, however, recently two members of the section traveled to Washington D.C. to work on a bill to change the Utah Enabling Act.

School Children's Trust Mission Summary

The School Children's Trust administers the School LAND Trust Program at the state level in every public traditional and charter school, including about 9,000 School Community Council members, Charter Boards and Charter Trust Land Councils. The school reports required in code and state board rule are submitted through the School LAND Trust website, where data is collected for state reporting and local school boards approve the plans developed by the councils. Reports are submitted primarily in the fall before October 20th and in the spring before a date individually determined by each district. The section provides support to schools and districts in the submission and approval process. The section prepares the paperwork for distribution of the annual School LAND Trust distribution to districts and charter schools as determined in the law and state board rule. Most of the administration of the program happens in our USOE office. The section develops training materials and provides training on statewide and district levels about best practices and new assignments made by the legislature for effective School Community Council governance. The section provides 5-6 'statewide trainings' each fall at locations scattered across the state that all council members in the state are invited to attend. In addition, the section provides district trainings, as requested, for principals and council members annually, as well as trainings for education groups such as Utah PTA, UEA and Utah School Boards Association. These trainings do require in state travel.

The section provide accurate information on and advocates effectively for the School Trust with state and national policy makers, the media, the general public, the educational community, user organizations that provide the revenue from the lands, and others. The awareness of School Trust Lands has grown over the past 20 years in Utah but there are still many citizens who are largely unaware of the trust mandate and mission. That lack of understanding often creates unrest with the activities of the trust managers when they don't understand there is a trust mandate. Land and water issues are as controversial as anything can be. When adjacent landowners or land users understand the trust mission and mandate, though there may not be agreement, there is a basic understanding to begin resolving the issues at hand. The section works with education groups to help their members understand activities of the trust through regular Trust Advisory Committee Meetings, education group publications, trainings and ongoing conversation. Every year there are issues that policy makers have to decide that relate to the trust lands, funds and School LAND Trust Program. The section works with policy makers (county, state, and national) to move the mission of the trust forward and to mitigate controversial issues towards a mutually acceptable resolution. The section works with SITLA through the media to provide information to the general public to continually raise broad public awareness of the trust mission and mandate. Much of this work happens within Salt Lake City proper but some of the work requires state travel, regular participation with the legislature and some national travel. Twice a year the section attends the Western States Land Commissioners Conference that is held in a western state, where trust land managers from states that still retain school trusts to learn of emerging issues, discuss solutions to problems and conflicts and to share successes.

School Children's Trust Mission Summary

The section is required in state code and state board rule to manage the School LAND Trust Program including distributing the annual interest and dividends from the permanent State School Fund. The section is also required to provide training to school community councils about assignments delegated to them by the legislature and state school board and then conduct compliance reviews of the program and adherence to school community council requirements.

R277-477 Distribution of Funds from the Interest and Dividend Account and Administration of the School LAND Trust Program

R277-491 School Community Councils

53A-1a-108 School community councils – Duties – Composition – Election procedures and selection of members

53A-1a-108.1 School community councils – Open and public meeting requirements

53A-1a - 108.5 School improvement plan

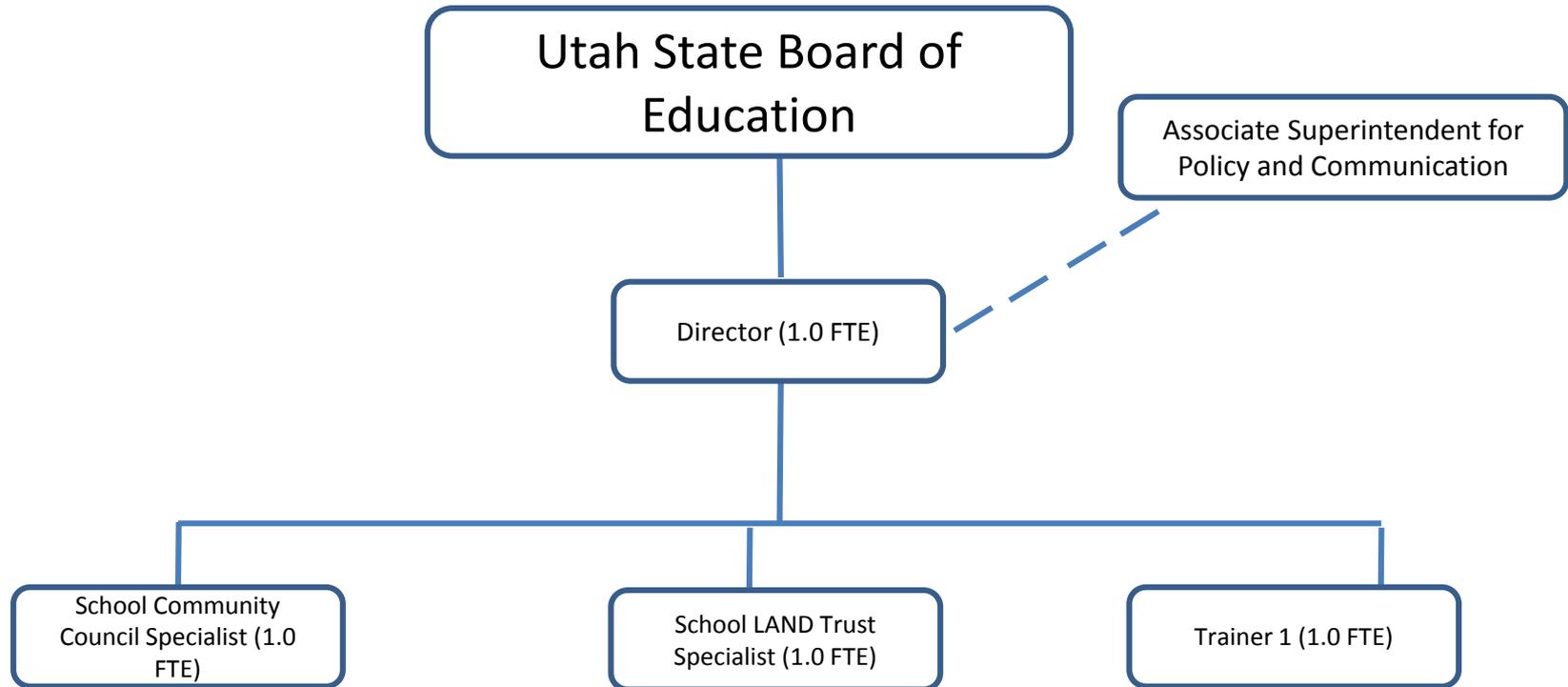
53A-16-101.5 School LAND Trust Program – Purpose – Distribution of funds – School plans for use of funds

53A-16-101.6 Creation of School Children's Trust Section – Duties

53A-16-101 Uniform School Fund – Contents - Interest and Dividends Account – Invest

More for Education Account

School Children's Trust Section Org Chart



School Children's Trust Salaries and Benefit Line Item

Total Funding Requested \$462,105

<u>4.0</u>	Full Time Employees
1.0	School Children's Trust Director
1.0	School Community Council Specialist
1.0	School LAND Trust Program Specialist
1.0	Trainer I

School Children's Trust Director is responsible for assisting State Board in oversight of SITLA and SITFO School Community Council Specialist administers the program website and provides training materials, drafts federal and state legislation, rules, and comments under board, Assistant Superintendent, and Director. Trainers provide training, customer service to districts and schools, conduct compliance reviews.

No positions are federally funded.

All positions are state funded under a separate line item from the interest and dividends account, based on a funding request made by the State Board of Education. See Utah Code 53A-16-101.5 (3) and 101.6(5)

School Children's Trust Section Purchased Services

Line Item

Total funding requested from Slide 3: \$90,000

~ \$84,000 Utah Interactive – Create a new website for the School LAND Trust Program. Create new forms each year for schools to complete and provide overall support to keep the website functioning. The contract is for 5 years with a renewable option and we are currently in the 2nd year. In year 3, the contract amount is rising to \$80,000 per year

~ \$2,700 Human Resource Services- charged by USOE in addition to indirect costs

~ \$1,500 Required Technical References: LexisNexis – Provides access to on-line legal research for our section

We have a contract through 4/30/2016; however, LexisNexis contract with State of Utah is up 12/31/2015 and will need to be renewed by the state. (5/1/2015 – 4/30/2016 \$119.35/month)

~\$1,000.00 Rent as required by the USOE, we will be paying rent and maintenance for our building space as charged.

~ \$500 Payroll Services- charged by USOE in addition to indirect costs

~ \$300 Postage and Mailing

School Children's Trust Section Out of State Travel Line Item

Total funding requested from Slide 3: \$9,000

#1: Western States Land Commissioner's Assoc./Children's Land Alliance Supporting Schools ~\$5,000

Location: Idaho, Oklahoma (Pending)

Dates: Mid July, 2016 4 Days and January 2017 4 Days

Personnel: 1-2

Reason: Collaboration on federal land issues, such as sage grouse listings and monument designations

Train: Yes, we will train other individuals in my section

Required: No

#2: Investment conference(s) for professional development, to be determined/as needed ~\$2,000

Institutional Investors and/or Fund Sponsor conferences with investment consultant

In the past, these have often not had a cost as organizers have covered our costs to attend and present

Event #3: Washington DC Lobbying Efforts, as needed ~\$2,000

State Board sponsored Enabling Act change, if nec.

Land Exchange, Monument Designation efforts

School Children's Trust In State Travel Line Item

Total funding requested from Slide 3: \$7,500.00

Event #1: Statewide Training (the example of what we did in FY16 is below, the State Board approves a training plan under Utah Code)

Wednesday, October 21 – 6:00-8:00 – Logan School District (location not confirmed)

Tuesday, October 27 – 6:00-8:00 pm - Highland High School – Salt Lake District

Wednesday, October 28 – 6:00-8:00 pm – St. George (location not yet confirmed)

Wednesday, November 4 – 6:00-8:00 pm - North Davis Junior High – Davis District

Thursday, November 5 – 6:00-8:00 pm - Jordan District Training Center

Thursday, November 12 – 6:00-8:00 pm - Centennial Middle School - Provo

Personnel: 3 or 4 depending on the location and local support

Reason: Part of annual training plan required by the State Board of Education in R277-477-8

Train: District, state personnel and other specialists provide training to council members. This training is sometimes (as determined by the districts) passed on to school councils.

Required: Yes – as approved by the State Board of Education, required in state code

Event #2: District Visits

Dates: Throughout the Year

Location: School Districts that request training (currently scheduled for fall 2015 is South Summit, Weber, Provo and North Sanpete)

Personnel: 1 – sometimes 2

Reason: Ensure legislative required annual training of school community council members

Train: Training of school community council members

Required: Yes Who Requires this Training: State, Board, USOE when a district requests it

Event #3: SITLA Board Tours and Advocacy Meetings

Dates: Throughout the year, as scheduled by the board and as needed. In this category would be a State Board of Education Tour of St. George trust development properties in spring of 2015, requested by the board.

Location: In state locations identified by SITLA staff and board, but could involve trips to Washington DC as described to enact legislation described in Event #3

Personnel: 2 or 3

Reason: To be advised on trust activity and to advocate for protection of trust assets.

Required: No

School Children's Trust Supplies and Materials Line Item

Total funding requested from Slide 3: \$26,900

We will be training School Community Councils and district contacts across the state which will require additional supplies and materials

School Community Council members will also have access to training materials through the School LAND Trust Program website, SITLA, SITFO, and materials generated by individual schools and districts.

- ~ \$8,000 Maintenance as charged by the USOE for the building
- ~ \$3,600 Wireless Phone/Data Service – Provide cell phone service for School Children's Trust Section. \$75/mo for 4 employees.
- ~ \$2,500 Membership Dues- maintain state bar active status for 2 section attorneys, CFA Registration exam costs charged here as well, CLASS/WSCLA conference registration also may be charged here
- ~ \$2,500 Conventions, Seminars, Workshops- costs associated with hosting trainings, fees to participate in energy conferences, workshops, some of the professional development costs are charged here
- ~ \$2,000 Insurance & Bonds charged by USOE in addition to indirect costs
- ~ \$2,000 Professional Development and Training- Continuing Legal Education and CFA Costs
- ~ \$3,000 Automated Business Products – Ricoh Color Copier and Printer - Maintenance Agreement for copies with yearly renewal and per copy charge of \$0.05-\$0.07
- ~ \$300 Office Supplies
- ~ \$300 Printing & Binding
- ~ \$300 Photocopy
- ~ \$300 Exhibits, Displays, Awards
- ~ \$100 Books and Subscriptions

School Children's Trust Unallocated Expenses Line Item

None

School Children's Trust Section Equipment Line Item

Total funding requested from Slide 3: \$5,500.00

- ~ \$250 Office Furnishings Under \$5,000- as needed
- ~ \$250 Other Small Equip/Supplies- as needed
- ~ \$5,000 Computers, Monitors, and Related Accessories as needed. As this is 6-18 months out, budget to replace computers or monitors, cords, etc. as needed

School Children's Trust Capital Expenditures Line Item

Total funding requested from Slide 3: \$0

SFY 16 Carry Forward Estimates

<u>Carry Forward</u>	<u>From SFY 16</u>			
State	\$ -			
Federal	\$ -			
Other	<u>\$ -</u>			
Total:	\$ -			
Under state statute, our budget can't carry forward				
Unused amounts go back into the interest and dividends account				
See Utah Code 53A-16-101.5(3)(c)(ii)				

Other Information

- The School Children's Trust Section is funded separately from the bulk of the USOE. We receive a separate line item appropriation, pursuant to a request made by the Utah State Board of Education. See Utah Code Ann. 53A-16-101.5(3), 53A-16-101.6(5). The funds for the School Children's Trust Section comes from the Interest and Dividends Account, which itself is funded by investment returns earned off of the permanent State School Fund. In this way our office is funded solely out of the revenues from the School Children's Trust and not from any taxpayer funds.
- Funding for the School LAND Trust Program, which is the money spent by School Community Councils, is also appropriated in a unique way. Each year, the Legislature appropriates in the Minimum School program an amount fund the School LAND Trust Program. This amount is an estimate, typically equal to the prior year's distribution. The actual distribution is based on the amount of interest and dividends earned over the course of the prior fiscal year (e.g., returns in FY2015 provide funding for the 2016-17 school year), minus certain expenses.