

**UTAH STATE BOARD OF EDUCATION
MEETING MINUTES**

December 5, 2014

A regular meeting of the Utah State Board of Education was held December 5, 2014 at the Utah State Office of Education, 250 East 500 South, Salt Lake City, Utah. Chair David Crandall conducted. The meeting convened at 10:08 a.m.

Board Members present:

Chair David L. Crandall	Member Marlin Jensen (non-voting)
Vice Chair David L. Thomas	Member Michael Jensen
Member Dixie L. Allen	Member Jennifer A. Johnson
Member Kim R. Burningham	Member Steven R. Moore (non-voting)
Member Keith M. Buswell	Member Jefferson Moss
Member Leslie B. Castle	Member C. Mark Openshaw
Member Freddie Cooper (non-voting)	Member Debra G. Roberts
Member Barbara W. Corry	Member R. Dean Rowley (non-voting)
Member Kristin Elinkowski (non-voting)	Member Teresa L. Theurer (non-voting)
Member Dan Griffiths	Member Terryl Warner
Member Heather Groom	

Executive and Board staff present:

Brad Smith, State Superintendent	Bruce Williams, Associate Supt.
Joel Coleman, USDB Superintendent	Lorraine Austin, Board Secretary
Russ Thelin, USOR Executive Director	Emilie Wheeler, Board Communications Specialist
Sydnee Dickson, Deputy Supt.	Chris Lacombe, Assistant A.G.
Judy Park, Associate Supt.	

Others present:

Jay Blain, Utah Education Association; Dawn Davies, Liz Zentner, Laney Benedict, Andrea Davis - Utah PTA; Lydia Nuttall, parent; Debby Llewelyn, Ana Smith - UAPCS; Ray Terry, Beaver School District/Utah School Superintendents Association; Lyle Hillyard, Utah State Senate; Tami Pyfer, Governor's Office; Grant Cannon.

Opening Business

Chair David Crandall called the meeting to order at 10:08 a.m. Member Jefferson Moss led those present in the Pledge of Allegiance. Board members-elect Linda Hansen, Brittney Cummins and Laura Belnap were welcomed to the meeting.

Board Member Welcome Message

Member Terryl Warner welcomed the Board. She reviewed President John F. Kennedy's January 20, 1961 inaugural address and later signing of an Executive Order creating the Peace Corps, with its focus on education, health care and environmental issues. Member Warner gave a definition and examples of service. She recognized the six members leaving the Board, and lauded their collective total of 42 years of service on the Board.

Introduction of New Employees

Human Resources Director David Rodemack introduced new USOE employees Sean Perkins, Marshall Peck, Crystal Thomas and Barbara Soriano. Mr. Rodemack also announced that Board Internal Auditor Natalie Grange has accepted the position of USOE Director of School Finance.

Student Art Work

Education Specialist Cathy Jensen acknowledged the art work hung in the room from students at Helen M. Knight Elementary in Moab.

Board Member Recognition

Chair Crandall recognized outgoing Board members Heather Groom (2013-2014), Dan Griffiths (2013-2014), Keith Buswell (2011-2014), Michael Jensen (2007-2014), Debra Roberts (2003-2014) and Kim Burningham (1999-2014). They were honored with original children's art work and will be sent the traditional bells. Each outgoing member gave remarks.

General Consent Calendar

MOTION was made by Member Openshaw and seconded by Member Moss that the Board approve the General Consent Calendar.

Motion carried unanimously.

A. Minutes of Previous Meetings

Minutes of the State Board of Education meetings held November 6-7, 2014 were

approved.

B. Contracts

The following contract was approved.

1. Imagine Learning, Inc., \$15,000,000, 12-31-2014 to 12-01-2019, federal

To provide license of use for existing and new accounts within schools for use of Imagine Learning software for ELL students and their families.

C. Contract Reports

The Board received the following reports: *Contracts Approved by State Superintendent or USOR Director (less than \$100,000) and Upcoming Contracts with Renewals as of 10/1/2014.*

D. R277-504 Early Childhood, Elementary, Secondary, Special Education (K-12), and Preschool Special Education (Birth-Age 5) Licensure

The Board approved R277-504 *Early Childhood, Elementary, Secondary, Special Education (K-12), and Preschool Special Education (Birth-Age 5) Licensure* on third and final reading. The rule was amended to provide a clear definition of student teachers and interns, to address a timeline of the cumulative GPA requirements, and to address waiver of entrance requirements.

E. Appointment to WestEd Board of Directors

The Board appointed State Superintendent Brad C. Smith to the WestEd Board of Directors for a term ending May 31, 2017.

F. State Instructional Material Commission Recommendations

On November 21, 2014, the State Instructional Materials Commission met and approved 1,537 records of titles for recommendation to the Board.

The Board adopted the recommendations made by the State Instructional Materials Commission, and directed staff to award contracts to the various publishers to furnish instructional materials to Utah schools.

G. Requests for Temporary Authorizations

The Board approved temporary authorizations for licenses as submitted by school

districts and charter schools.

H. List of Educator Licenses Processed

A summary of the total number of educator licenses and license areas processed in November 2014 was received by the Board.

Public Comment

Amy Knight, representing parents and PTAs of Cedar Ridge and Deerfield Elementary in Alpine School District - expressed the concern of several parents regarding the security in Utah schools, and emphasized the importance of preventing violent situations in schools. Things such as visitor check in and secure entryways are not being done in all schools.

Andrea Davis, representing parents of Cedar Ridge and Deerfield Elementary - referenced a report of the Nation School Shield Task Force written in 2013 and encouraged Board members to read the report. The first finding in the report is that insufficient attention is paid to school security needs, including security plans and security risk assessment. She voiced that states should set the security plan for schools and asked for mandatory requirements, including no elementary schools having open door policies and all front doors being visible from the front office.

Liz Zentner, Utah PTA President - expressed sincere gratitude to the six board members who are leaving the Board and wished them well. She expressed excitement to continue working with the Board and its new members. She also expressed appreciation for the children's art work in the room and reported that Utah PTA provides matching art grants to schools. Helen M. Knight Elementary received one of those grants. She also reported that The Leonardo is going to display all art work that comes to the state level through the PTA Reflections program.

Sarah Jones, Utah Education Association - extended an invitation to all Board members to attend an event on December 16 at the UEA office where a panel of distinguished Utah educators is being convened. She asked the Board to send a clear signal to the legislature that a significant increase in the WPU is a top priority, and asked the Board to place the item—increase in the WPU beyond growth—higher on its priority list.

Utah Schools for the Deaf and the Blind Education Association (USDBEA) Grievance Hearing

The USDBEA has requested a continuance in order to obtain more information.

MOTION was made by Vice Chair Thomas and seconded by Member Allen that the Board grant a continuance of the USDBEA grievance hearing to its January 8 meeting, and that the requirement to hold a hearing within 30 days of the request be waived.

Motion carried unanimously.

Test Item Licensing

The Board has completed agreements with three states—Florida, Arizona, and Tennessee—for licensing of Utah SAGE test items. Associate Superintendent Judy Park presented a proposal for use of the revenue coming in from those agreements, including developing additional SAGE test items, providing professional learning for Utah educators to effectively use assessment data to improve student achievement, and providing the salary for the Associate Superintendent for Student Services and Special Programs.

Associate Superintendent Park reminded the Board that they discussed the use of the revenues in June and a proposal was taken to the legislative Executive Appropriations Committee in July. Executive Appropriations did not express concern over the proposed use of funding. Conversations have also been had with the Legislative Fiscal Analyst, who suggested that following Board approval the Board request that intent language be included in the funding bill directing how the revenue will be spent.

Superintendent Smith expressed his feeling that the proposal is a wise and critical direction in which to move. He also stated the importance of considering a redesign of the State Office of Education to address the massive amounts of data sent to schools and the need for training on how to use the data to positively impact classrooms.

Member Castle questioned whether pre-service programs are preparing teachers to use data. Superintendent Smith responded that it varies by program, but all programs are moving in that direction. Deputy Superintendent Sydnee Dickson concurred.

Member Moss noted that a public concern has been access to test questions, and he asked at what point there will be enough questions so all the questions can be released. Dr.

Park indicated that an analysis will need to be done to determine how big the item bank has to be before all questions can be released to the public.

Member Griffiths asked how sending in a team to a school to provide professional development regarding use of data will work with existing program improvement in place such as the University of Virginia program. Superintendent Smith responded with his belief that it would dovetail beautifully with those programs and provide some additional expertise.

MOTION was made by Member Roberts and seconded by Member Griffiths that the Board approve the proposed budget as presented to develop new assessment items, research and understand at what point all test items will be able to be released, provide professional development for effectively using assessment data, and provide the salary for the Associate Superintendent for Student Services and Federal Programs; in addition, that staff request that intent language be put into the funding bill to support use of revenue as outlined above.

The proposed budget includes the following:

The use of the June 30, 2015 revenue from the Florida SAGE item license agreement to develop additional SAGE test items. If there is additional revenue in the second and third year of the Florida agreement, the additional revenue will be used for the same purpose.

The use of the June 30, 2015 revenue from the Arizona SAGE item license agreement and the June 30, 2016 revenue from the Tennessee SAGE item license agreement to provide professional learning for Utah educators to effectively use assessment data to improve student achievement. If there is additional revenue in the second and third year of the Arizona agreement and in the second year of the Tennessee agreement, the additional revenue will be used for the same purpose.

The revenue from the 2015 Arizona agreement and the revenue from the 2016 Tennessee agreement will be used to provide the salary of the Associate Superintendent.

Member Johnson commented that there is a gateway set up to view data, but it has not been used by the Board. She asked that a data dashboard be developed that could guide the Board in its policymaking. Superintendent Smith indicated he will follow up.

Motion carried unanimously.

Board Legislative Priorities

Senator Howard Stephenson was welcomed to the meeting. He suggested that perhaps the legislature should look at backing off from the line item approach to funding, and instead give a block grant to the State Board and give the Board the responsibility of determining how the money should be distributed. He welcomed that discussion.

Senator Stephenson also discussed the possibility of having a joint meeting with the State Board of Education, State Board of Regents, Utah College of Applied Technology, legislative leadership, and legislative education committees.

Senator Stephenson noted that he has been appointed chair of the National Conference of State Legislatures (NCSL) Education Committee. He is using that opportunity to share Utah's success in two areas where Utah is ahead of the nation—dual language immersion and personalized learning through computer-assisted instructional software. Through such programs, the number of English Language Learner (ELL) students has been cut significantly. The STEM Action Center is also unique to Utah, and he believes because of the personalized learning offered through STEM Action Center grants, teachers are able to focus on higher level skills.

He also announced that he will be chair of the Public Education Appropriations Subcommittee, and thanked the Board and staff for their great work.

Vice Chair Thomas reported to the Senator that the Board's top priority for the legislative session is to address needs identified by a risk assessment of the State Office of Education. Approximately \$2 million in ongoing funds are needed, and the office has identified \$1 million in the current budget that it will use, but needs a legislative appropriation for the additional \$1 million. The other two major Board priority items are a technology initiative and targeted professional learning. The office has been working with Representative Francis Gibson and the Governor's office to develop a comprehensive technology plan. Vice Chair Thomas expressed hope that Senator Stephenson will cosponsor the technology initiative legislation. Senator Stephenson reported that he has been working on the technology initiative with

Representative Gibson.

Senator Lyle Hillyard was welcomed to the meeting. He reported that new revenue figures will be announced on December 9. He voiced that one of the challenges for the legislature is the limited amount of money, and commended the Board for finding part of the funding itself to address the USOE risk assessment issues. He also acknowledged that some districts have done tremendous work and have made sacrifices to fund their educational programs, and questioned whether it is fair to offer the same funding to other districts that have not made that commitment and sacrifice.

Vice Chair Thomas asked that the legislature consider giving public education some of the one-time funding this year.

Member Theurer thanked Senator Hillyard for his commitment to the regional K-12 Alliance.

Member Griffiths noted that Senator Stephenson opened up a conversation on how teachers are compensated, and expressed that it is a discussion worth having.

PACE School Report Card

Associate Superintendent Judy Park distributed information on the PACE Report Card that is planned to be released around December 15. It was presented by the Governor's Education Director in the Board's September 2014 meeting, and now has been taken in-house and the USOE Information Technology section is designing and populating the report.

Dr. Park reviewed the Report Card and asked for direction from the Board on whether the Board would prefer that growth is calculated using a student growth percentile or calculated using the student group achievement, which is in the mockup. She noted that the Report Card redline goals for student achievement and graduation rate align with the Governor's PACE metrics, and questioned whether those goals should be adjusted.

Superintendent Park reported that the requirements for federal accountability are incorporated as a separate piece in the Report Card. She explained that the state deadline for releasing school grades is December 15, and the deadline for federal accountability data was August. The federal government is aware of the situation and is allowing for a later release of

the information they require. It is her hope that the school grading report, PACE Report Card, and federal accountability report can be released at the same time by December 15.

Chair Crandall observed that in the Board's September meeting a motion was passed that the PACE Report Card would replace the Board's UCAS accountability report, and it appears there are now three reports. Dr. Park acknowledged that UCAS is a part of the PACE Report Card. It is the intent that next year there will be a section embedded in the Report Card to click on for federal accountability. Because of the federal requirements, PACE can't replace UCAS.

Member Johnson and Griffiths stated their impression that the Report Card was to have come back for further discussion on the elements of the Report Card before this point. Dr. Park responded that the Report Card could still be changed.

Member Griffiths suggested that a Board task force be convened to review the Report Card. He suggested looking at it as a dashboard, considering who will be the primary users of the information and considering "rearview mirror" things and "windshield" things. The forward-looking indicators could include parent satisfaction levels, student engagement levels, and school environment.

MOTION was made by Member Griffiths and seconded by Member Moss that a Board task force be created to review the Report Card.

Motion carried.

Utah Professional Practices Advisory Commission (UPPAC) Cases

MOTION was made by Member Griffiths and seconded by Member Castle that the Board accept the UPPAC recommendation in Case No. 12-1070 and reinstate the educator's Level 2 Elementary Education and Administrative/Supervisory License.

Motion carried unanimously.

MOTION was made by Member Jensen and seconded by Member Burningham that the Board accept the UPPAC recommendation in Case No. 09-888 and reinstate the educator's Level 2 Special Education License. Without objection, the case was referred to Executive Session for discussion.

MOTION was made by Member Roberts and seconded by Member Burningham that the

Board accept the UPPAC recommendation in Case No. 11-1000 and reinstate the educator's Level 2 Special Education and Secondary Education License. Without objection, the case was referred to Executive Session for discussion.

Case No. 14-1197 was referred to Executive Session for discussion.

Executive Session

MOTION was made by Member Roberts and seconded by Member Groom that the Board move into Executive Session for the purpose of discussing the character, professional competence, and physical or mental health of individuals, and pending litigation.

Upon voice vote of the voting members present, the Board moved into closed session at 12:35 p.m.

Individuals present in Executive Session included Members Allen, Burningham, Buswell, Castle, Cooper, Corry, Crandall, Elinkowski, Griffiths, Groom, Marlin Jensen, Michael Jensen, Johnson, Moore, Openshaw, Roberts, Theurer, Thomas and Warner; Board members-elect Belnap, Cummins and Hansen; and Brad Smith, Sydnee Dickson, Lorraine Austin, Chris Lacombe, Rachel Terry and Heather Waite-Grover.

MOTION was made by Member Allen and seconded by Member Corry that the Board come out of Executive Session.

Motion carried. The Board reconvened in open meeting at 2:17 p.m.

Executive Session Items

Utah Professional Practices Advisory Commission (UPPAC) Cases

Motion on Case No. 09-888 was revisited. Motion carried; Members Corry, Moss and Openshaw absent.

Motion on Case No. 11-1000 was revisited. Motion carried; Members Moss and Openshaw absent.

MOTION was made by Member Buswell and seconded by Member Corry that the Board accept the UPPAC recommendation in Case No. 14-1197 and suspend the educator's Level 2 Secondary Education and School Counselor License for not less than one year from the date of

Board action, pursuant to a stipulated agreement.

Motion carried; Members Moss and Openshaw absent.

Board Appointments

MOTION was made by Member Burningham and seconded by Member Groom that the Board appoint the following to the Coalition of Minorities Advisory Committee for terms from January 15, 2015 to December 31, 2016: Ike Spencer, representing African Americans; Eugenia “Jeanie” Groves and Clayton Long, representing American Indians; Jo-Ann Wong, representing Asian Americans; Hiram Alba, representing Hispanic/Latino Americans; and Charlene Lui, representing Pacific Islander Americans.

Motion carried; Members Moss and Openshaw absent.

Committee Reports

AUDIT COMMITTEE

Committee Chair David Thomas reported on the following items from the Committee.

State Audit of the USOE and USOR

The State Auditor’s office discussed with the Audit Committee an audit of the USOE and USOR. No material weaknesses were found for the USOE, but there are six issues which are being addressed by Superintendent Smith.

Internal Security Audit

An audit was conducted by Utah Education Network to look at building and network security. As a result of that audit areas for improvement have been recommended. Superintendent Smith will report back to the Audit Committee in January on ways the concerns are being addressed and determine additional audits that may be needed.

Auditor Hiring

The Audit Committee will begin the process of hiring an auditor to replace Natalie Grange.

FINANCE COMMITTEE

Committee Vice Chair Dan Griffiths reported on the items from the Committee. The committee took no action on any items.

USOE/USDB/USOR Half-year Annual Budget Review

The Committee reviewed the budget and expenditure breakdown for fiscal year 2015 ending October 31, 2014.

FY 2015 Discretionary Budget Review

The Committee reviewed several amendments made to the Discretionary budget by actions of the State Board.

USOE Budget Practices and Procedures

The Committee reviewed information regarding the practices and procedures utilized by USOE as budgets are implemented and managed throughout the year.

Common Data Committee Report

The Common Data Committee is a group comprised of representatives from the USOE, Legislative Fiscal Analyst's office, Governor's Office of Management and Budget, Tax Commission, and LEAs that work together to estimate the growth of students and how much it will cost to fund those students. The committee also estimates the tax dollars received from levies. The group submits the estimates to the legislature to allocate funds for the Minimum School Program (MSP). The Committee received the report.

Parameters for RDA/EDA Votes by the USBE

The Committee reviewed the current list of potential reasons for recommending a vote in favor of an RDA/EDA project.

Taxing Entity Committee Representative Appointment

It was noted that the State Office of Education is the only body that participates in virtually all RDAs and serves the function of maintaining an archive of that information.

This item will come back to the January Board meeting for appointment of a Board taxing entity committee representative.

Outcome of Taxing Entity Committee (TEC) Meetings

The Board received a report of the November 10, 2014 meeting of the Box Elder County Redevelopment Agency Taxing Entity Committee. The Taxing Entity Committee approved the budget for the Washakie Economic Development Project area budget.

LAW AND LICENSING COMMITTEE

Committee Member Heather Groom reported on the following items from the Committee.

General Financial Literacy Standards

The Board gave preliminary approval to the revised General Financial Literacy Standards in its October 2014 meeting. Since that time, USOE staff have gathered public comment and input for consideration of a final version, which was presented to the Committee.

MOTION from Committee that the Board approve the General Financial Literacy Standards.

Motion carried; Members Moss and Openshaw absent.

Deputy Superintendent Dickson reported that during the discussion it was recommended that additional information on job interviewing be worked into the English/Language Arts standards.

MOTION was made by Member Roberts and seconded by Member Corry that a discussion/action item be brought to the Standards and Assessment Committee regarding adding a job interview portion to the English/Language Arts Standards.

Motion carried; Member Moss and Openshaw absent.

R277-111 *Sharing of Curriculum Materials by Public School Educators*

In accordance with the Utah Administrative Rulemaking Act five-year review requirement, R277-111 was brought to the Committee for review and consideration of amendments to update terminology and remove unnecessary language.

The Committee approved amendments to R277-111, and continuation of the rule, on first reading.

MOTION from Committee that the Board approve R277-111 *Sharing of Curriculum Materials by Public School Educators*, as amended, and continuation of the rule, on second reading.

Motion carried; Members Moss and Openshaw absent.

Charter School Revolving Account Loan

The Committee reviewed a recommendation from the Charter School Revolving Account Committee to award a loan to Vanguard Academy.

MOTION from Committee that the Board approve a loan of \$136,000 from the Charter School Revolving Account to Vanguard Academy.

Motion carried; Members Moss and Openshaw absent.

Role Clarity for the Utah State Office of Rehabilitation

During the November Board Finance Committee meeting, representatives from the Utah State Office of Rehabilitation (USOR) presented the USOR Risk Mitigation Plan. During that discussion, USOR staff requested that the Board provide them with role clarity concerning governance by the Board.

This item was tabled.

Accreditation Status of the University of Phoenix–Utah

Board rule R277-502 *Educator Licensing and Data Retention* requires that educator preparation programs be accredited by the National Council for Accreditation of Teacher Education (NCATE), the Teacher Education Accreditation Council (TEAC), or the Council for Accreditation of Education Preparation (CAEP). The University of Phoenix is currently an applicant for accreditation with CAEP.

The Committee was appraised that the USOE has received information from CAEP that the University of Phoenix-Utah program has been denied accreditation at both the initial teacher preparation and advanced teacher preparation levels. The University of Phoenix–Utah may appeal this decision as part of the CAEP accreditation process. The USOE has placed the program on probationary status consistent with R277-502 and directed the program to discontinue enrolling new students for the purpose of receiving a Utah educator license.

STANDARDS AND ASSESSMENT COMMITTEE

Committee Chair Dixie Allen reported on the following items from the Committee.

R277-468 *Parent/Guardian Review of Public Education Curriculum and Review of Complaints*

At the request of the Board, new rule R277-468 regarding parental involvement on curriculum and material review committees was drafted. The rule was presented in October 2014, and at the direction of the Standards and Assessment Committee, staff met with district superintendents regarding their concerns about the rule and the rule was revised.

An updated rule with additional changes from the Committee was distributed to the Board. The Committee approved the rule with those changes on first reading.

MOTION from Committee that the Board approve R277-468 *Parent/Guardian Review of Public Education Curriculum and Review of Complaint Process*, as amended, on second reading.

Motion carried; Members Moss and Openshaw absent.

R277-497 *School Grading System*

Rule R277-497 was passed on second reading in the November 2014 Board meeting. At

that time the Standards and Assessment Committee directed USOE staff to add to the rule adjustments to the percentage of the maximum number of points required to earn A through F letter grades. This adjustment is allowable in Utah Code 53A-1-1114. The Committee reviewed the amended rule with the adjustments.

The Committee approved amendments to R277-497 on second reading. It was noted that there is some concern about the distribution, but that issue will be addressed later.

MOTION from Committee that the Board approve R277-497 *School Grading System*, as amended, on third and final reading.

Motion carried; Members Moss and Openshaw absent.

Implementation of H.B. 286 *Child Sexual Abuse Prevention*

House Bill 286, passed during the 2014 Legislative Session, gives responsibility to the Board to approve instructional materials for child sexual abuse prevention and awareness training and instruction.

Members Johnson, Warner and USOE Educational Specialist Lillian Tsosie-Jensen serve on a Child Sexual Abuse Prevention Task Force authorized by the legislation. A progress report on the work of the Task Force was received by the Committee.

Additional UPPAC Cases

MOTION was made by Vice Chair Thomas and seconded by Member Allen that the Board approve the stipulated agreement in UPPAC Case No. 14-1183 and suspend the educator's Level 2 Elementary and Administrative/Supervisory Educator License for not less than one year from August 8, 2014.

Motion carried; Members Moss and Openshaw absent.

MOTION was made by Member Allen and seconded by Member Johnson that the Board rescind its prior Order in Case No. 13-1178 and remand the case to UPPAC for fact finding and a hearing.

Motion carried; Members Moss and Openshaw absent.

Elementary and Secondary Education Act (ESEA) Flexibility Waiver Renewal

Superintendent Smith reported that the ESEA Flexibility Waiver is coming back for renewal. Under new U.S. Department of Education regulations, flexibility renewals will be in place for three years. He indicated his intention to move forward with preparation of a renewal application for presentation to the Board in a future meeting, unless directed otherwise by the Board. The language approved by the Board in the 2014 application will be used again.

Member Johnson informed that there is a possibility of congressional reauthorization of ESEA. She also stated her desire to have just one accountability report.

USOR Budgetary Issues and Order of Selection

Superintendent Smith apprised the Board of a situation with the Utah State Office of Rehabilitation where the agency is financially over-committed and is facing a serious financial crisis in the coming months. This situation will require USOR to terminate services to some of the most vulnerable individuals they serve. USOR has been working on a plan to address governing structures, accounting structures, and audit and control structures in addition to the areas of immediate concern.

One of the strategies to address the over-extension of the agency's financial resources is an Order of Selection process. It is a process by which the agency rations services to those they serve. Order of Selection allows the agency to control new cases that are coming in, but does not relate to cases that are already within the agency for which they have legal liability. USOR is working on a plan to address concerns with those cases. It is a serious situation and USOR has engaged in some very difficult measures including eliminating FTE positions, enacting a soft hiring freeze, curtailing travel, training, and educational reimbursements, reviewing leases, and reducing case service expenditures. USOR is also moving forward with the Order of Selection planning process.

USOR Executive Director Russ Thelin reviewed a document summarizing the current Vocational Rehabilitation program financial situation. He gave background that last year USOR had a structural imbalance, and through working with the Board and Legislature USOR was

awarded ongoing funding of \$1.7 million from which they could draw down some federal reallocation money to get them through the fiscal year. Part of the premise was that in receiving the money they would not have to go on Order of Selection. Since that time a budget compliance officer was hired and the financial situation has become more clear. If case service spending and obligation continues at the same rate, the case service budget could be fully obligated as early as February 2015.

Director Thelin reported that for several years the agency has balanced its budget on the reallocation of federal monies at the end of each year. This has allowed them to get through each year, but has continued to set up a scenario that causes future difficulties. He expressed that he does not want the agency to rely on reallocation money, therefore, a budget for USOR has been set up using only the resources the agency has this year.

Vice Chair Thomas pointed out that the area of discussion—Vocational Rehabilitation—is just one portion of USOR, and Russ confirmed that Vocational Rehabilitation is about 65 percent of the USOR budget.

Member Johnson informed that state law precludes agencies from obtaining money to pay for federal programs without getting matching federal funds, and if USOR were to add more money without taking more federal funds, the result would be an increased maintenance of effort requirement.

Mr. Thelin reported that federal law requires that if an agency does not have the resources to serve all eligible client needs, the agency must set up a priority of who the agency will serve. USOR will need to establish a plan on how they will implement this Order of Selection. The plan must be done in compliance with law, including gathering public input and approval by the State Rehabilitation Council. The plan will also come to the Board for approval. The plan will then be forwarded to the federal government for approval to implement at the time USOR goes on Order of Selection. It is the intent to bring the plan to the Board for approval in January.

Member Griffiths reiterated that in receiving the additional state funding there is a guarantee that USOR will fail maintenance of effort this year. Director Thelin responded that USOR is actively working on requesting a waiver of maintenance of effort. The Feds could

accept, deny or grant a partial waiver. If not waived, the next federal allocation would be reduced by the amount the state failed to pay.

Superintendent's Report

Superintendent Smith reported on the following items.

- Graduation rates will be released on December 15. An embargoed copy will be sent to the Board next week.
- Revenue projections will be made public on December 9. The Governor will be releasing his budget on December 10.
- The USOE IT Section is working to correct technical issues with accessing the Division of Child and Family Services' database.
- The Superintendent and several Board members will be meeting on December 8 with Attorney General Sean Reyes regarding the hiring of an additional Board attorney. The position has been advertised and closed this week. It is hoped an attorney can be hired by January.
- The position of an additional associate superintendent will be advertised soon, as well as the UPPAC executive secretary position. The new Associate Superintendent will assume some of the duties performed by the retiring Director of School Law.

Board Chair's Report

Board Chair David Crandall reported on the following items.

- Board members are invited to the Governor's budget announcement on December 10.
- The draft schedule for 2015 Board meetings was referenced. The Board will vote on the schedule in its January 8 meeting.
- Board leadership elections will be held in January. The Board Secretary will send election information next week.
- A Board social will be held on December 9.

Adjournment

MOTION was made by Member Johnson and seconded by Member Griffiths that the meeting adjourn.

Motion carried. The meeting adjourned at 3:25 p.m.

Lorraine Austin, Board Secretary
Minutes approve February 6, 2015