

Finance Committee Amendments – August 4, 2022

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Finance Committee Amendments – September 9, 2022

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1 **R277. Education, Administration.**

2 **R277-919. Regulatory Sandbox Innovation Schools.**

3 **R277-919-1. Authority and Purpose.**

4 (1) This rule is authorized by:

5 (a) Utah Constitution Article X, Section 3, which vests general control and  
6 supervision over public education in the Board;

7 (b) Subsection 53G-7-221(9), which requires the Board to make rules  
8 establishing the reporting and monitoring requirements for an approved innovation  
9 school program;

10 (c) Subsection 53G-7-222(4), which requires the Board to make rules  
11 establishing the approval criteria and process for the use of restricted funds in funding  
12 an approved innovation school program; and

13 (d) Section 53E-3-401(4), which allows the Board to make rules to execute the  
14 Board's duties and responsibilities under the Utah Constitution and state law.

15 (2) The purpose of this rule is to provide:

16 (a) criteria the state board will use to:

17 (i) evaluate an innovation plan's progress; and

18 (ii) terminate an innovation plan;

19 (b) requirements and process for reporting on a plan's progress; and

20 (c) the approval process for a plan's funding if using the flexible funds option  
21 outlined in Section 53G-7-222.

22

23 **R277-919-2. Definitions.**

24 (1) "Approved innovation plan" or "plan" means the same as the term is defined

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25 in Subsection 53G-7-221(1).

26 (2) “Innovation school” means the same as the term is defined in Subsection  
27 53G-7-221(1).

28 (3) “Local approving body” means the same as the term is defined in Subsection  
29 53G-7-221(1).

30  
31 **R277-919-3. Reporting Requirements, Progress Monitoring, and Plan**  
32 **Termination.**

33 (1) A local approving body that submits an approved innovation plan to the Board  
34 as described in Subsection 53G-7-221(7) shall:

35 (a) provide the information in a form and method prescribed by the  
36 Superintendent;

37 (b) include the information described in Subsection 53G-7-221(3) and a detailed  
38 budget for successful implementation;

39 (c) provide a detailed plan of benchmarked progress including the projected  
40 timeline for each benchmark that has been agreed upon by the innovation school and  
41 local approving body;

42 (d) provide a suggested reporting schedule between the approved innovation  
43 school and the Superintendent; and

44 (e) provide additional information as requested by the Superintendent at the time  
45 of plan submission.

46 (2) The Superintendent may request changes to the reporting scheduled  
47 described in Subsection (1)(d) if a different schedule is needed to facilitate adequate  
48 monitoring of all approved innovation school plans.

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49           (3) The Superintendent shall use the following to determine if sufficient progress  
50 is being made

51           (a) data and metrics described in Subsection 53G-7-221(3)(e);

52           (b) the agreed upon benchmarks and performance outcome measures; and

53           (c) appropriate use of funds if budgetary flexibility has been granted pursuant to  
54 this rule and Section 53G-7-222.

55           (4) If the Superintendent determines sufficient progress is not being made, a  
56 notice of remediation will be sent to the local approving body and the approved  
57 innovation school.

58           (5) The notice of remediation shall include:

59           (a) the benchmarks or general progress that has not been made and how that  
60 determination was made using the approved performance metrics and agreed upon  
61 benchmarks;

62           (b) the required corrections needed to no longer be in remediation and a  
63 remediation timeline which may not be shorter than ~~45~~ 180 days; and

64           (c) the form and method in which the remediation monitoring shall be reported to  
65 the Superintendent.

66           (6) If an approved innovation school fails to meet the requirements and timeline  
67 outlined in the notice of remediation, the approved innovation school and the local  
68 approval body will be notified within 15 days after the required remediation deadline and  
69 be subject to an innovation plan termination review by the Board.

70           (7) The Board's innovation plan termination review shall take place in a Board  
71 meeting no later than 30 days after the approved innovation school has been notified of  
72 the innovation school's failure to remediate.

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73           (8) The Board shall consider all elements of the innovation plan when conducting  
74 its review including:

75           (a) the approved innovation plan application including outcomes and  
76 performance metrics;

77           (b) the agreed upon benchmarks and timelines;

78           (c) implementation efforts of the innovation school for the plan;

79           (d) efforts made to adhere to the remediation requirements and timelines;

80           (e) any efforts made by the innovation school to amend the plan; and

81           (f) any waived Board rule or LEA policies that were intended to facilitate  
82 successful implementation of the plan.

83           (9) As part of the innovation plan termination review, the Superintendent shall  
84 provide a recommendation to the Board to:

85           (a) provide an additional remediation period with additional or new requirements  
86 and timelines; or

87           (b) terminate the approved innovation school’s plan including a timeline for the  
88 innovation school to return to regular compliance and budgetary requirements that may  
89 have been waived or made flexible as part of the innovation plan.

90           (10) The Superintendent shall provide notice of the Board’s decision to the  
91 innovation school and the local approving body within 10 days of the decision being  
92 made.

93           (11) The local approving body shall ensure that the approved innovation school  
94 returns to regular compliance and budgetary requirements in the timeline approved by  
95 the Board and notify the Board when this has been achieved.

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97 **R277-919-4. Flexibility of Restricted Funds.**

98 (1) An innovation school with an approved innovation plan may apply to the  
99 Board for budgetary flexibility as described in Section 53G-7-222.

100 (2) The application for budgetary flexibility shall be created by the Superintendent  
101 and include:

102 \_\_\_\_\_ (a) an itemized budget detailing the expenditures needed to fund the innovation  
103 plan;

104 \_\_\_\_\_ (b) the current restricted funds that will be used including how much of each fund  
105 will be used for the innovation plan; and

106 ~~\_\_\_\_\_ (c) a detailed description of how the originating programs supported by the~~  
107 ~~restricted funds will remain in operation and not be unlawfully hindered by the budgetary~~  
108 ~~flexibility;~~

109 ~~\_\_\_\_\_ (d) if the innovation plan will positively impact any outcomes related to the~~  
110 ~~originating programs the restricted funds support; and~~

111 \_\_\_\_\_ (c) a plan for ~~regular~~ annually reporting to the Superintendent regarding  
112 budgetary expenditures from restricted funds to ensure compliance.

113 (3) The Board shall approve an application for budgetary flexibility unless the  
114 application is in violation of state law on budget and funding matters ~~or deny an~~  
115 application for budgetary flexibility.

116 (4) If an approved innovation school receives approval from the Board for  
117 budgetary flexibility, the approved innovation school shall report expenditures and  
118 evidence in form prescribed by the Superintendent including any ~~unduly~~ unlawfully  
119 adverse effect on an originating program.

120 (5) The Board may terminate an innovation plan for violation of the approved

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121 budget including

122 (a) the failure of any originating program from which restricted funds have been  
123 diverted, as defined by state law regarding the originating program;

124 (b) failure to match expenditures with approved budget; and

125 (c) failure to provide evidence of expenditures in the format required by the  
126 Superintendent.

127

128 **KEY: innovation; regulatory sandbox; restricted funds**

129 **Date of Enactment or Last Substantive Amendment: 2022**

130 **Authorizing, and Implemented, or Interpreted Law: Art X Sec 3; 53G-7-221(9);**

131 **53G-7-222(4); 5353E-3-401(4)**