• Welcome: Tim Miller and Aaron Fischer
• Salt Lake City School Board Study on Boundaries and Closures:
  Brian Conley, Salt Lake City School District Director for Boundaries and Planning brian.conley@slcschools.org
  o On December 13, 2022, Kade R. Minchey, Auditor General for the Utah Legislative Office published “An In-Depth Budget Review of the Salt Lake City School District” [Report #2022-16]. See also at end of minutes.
  o This audit was requested by the Legislative Audit Subcommittee, pursuant to Utah Code 36-12-15.1.
    ▪ KEY FINDINGS
      ▫ SLCSD’s unique challenges can be more efficiently managed.
      ▫ Actions by board members increase the risk of unrealized goals and non-compliance.
      ▫ The district should find opportunities to replicate the practices of successful schools.
      ▫ Board policy and superintendent turnover contributed to the lack of board action on school closures.
      ▫ Statute allows Salt Lake City and other school districts to receive an extra $4 million in state funding.
    ▪ RECOMMENDATIONS
      ▫ SLCSD should plan future expenditures with demographic changes in mind.
      ▫ The Salt Lake City Board of Education and its members should review and follow the board’s policies and handbook that make it clear that board members should not be involved in the day-to-day administration of the district.
      ▫ The Legislature should consider whether additional options should be placed in statute to allow school boards to hold individual board members accountable.
      ▫ SLCSD, in an effort to promote student proficiency and growth, should focus on identifying high-performing teachers and schools and replicating their successful practices with other teachers and schools where needed.
      ▫ The Legislature should consider modifying the statute for new tax increment financing agreements or future renewals of current tax increment financing agreements by either accounting for mitigation funds in state funding or eliminating the option to receive mitigation funds.
      ▫ The Salt Lake City Board of Education should evaluate possible elementary schools for permanent closure.
  o Salt Lake City School Board Policy G-5 see also at end of minutes.
  o “The purpose of this policy is to encourage a regular systematic review of the configuration and organization of district schools and establish a process for making any necessary modifications to that configuration.”
  o G-5: Administrative Procedures District Reconfigurations & Long-Term School Closures see also at end of minutes.
  o Procedures to be Followed During Each Year for Which an Official Boundary Study is Being Contemplated and/or Conducted.
    ▪ Public input on school boundaries
      ▪ Concerns, suggestions, and questions may be raised by the public at any time during this process. See the steps below to determine to whom to direct such input, i.e., principal, school community council (SCC), and/or superintendent and/or the superintendent’s designee (collectively “G-5 Administrator”).
      ▪ Members of the public wishing to make a formal public comment to the board must sign up to speak during the public comment period of a scheduled board meeting. See, B-2: Administrative Procedures, School Board Meetings, Section II, Public Participation at Board Meetings.
    ▪ The official study list.
      ▪ Prior to the end of February, the G-5 Administrator will gather information to present to the board regarding possible school boundary adjustments.
    ▪ Establishing recommended option(s)
In July, information from the options committee and comment from each affected school are reported to the board.

No later than the first board meeting in August, the board must approve any recommended options for boundary changes for further study.

Adopting boundary changes

1. During the first board meeting in November, one of the required public comment opportunities will be placed on the board’s agenda, and the G-5 Administrator will provide feedback from any information sessions for the board’s consideration.

2. During the second board meeting in November, the second required public comment opportunity will be placed on the board’s agenda, and the recommended options for boundary changes will be placed as a discussion item on the board agenda.

3. During the first board meeting in December, the required public hearing will be held as part of the board’s agenda, and the recommended options for boundary changes will be placed as a discussion item on the board agenda.

4. If after discussing the recommended options the board determines to take action on a proposed boundary change, the final recommended options for boundary changes will be placed on the action agenda for the next public board meeting.

5. Except in emergency situations, the following school year is the earliest any approved boundary change will take effect.

In the past decade, it's evident that our district has experienced a decline of approximately 4500 students in enrollment.

Six years ago, the Salt Lake City School District hired a company called Davis Demographics.

Over the last 2-3 years, Davis Demographics made projections for the K6 enrollment. Specifically, they projected that this year, there would be 10,033 students.

However, the actual enrollment is 9,602, which is a difference of less than 5%.

While this does not guarantee accurate projections moving forward, it does suggest that Davis Demographics is on track.

The Salt Lake City School District is utilizing 12 considerations to make the closure decisions:

1. Community input - This will occur over the next few months
2. Student safety- We will be looking at factors like safe walking/biking routes, crosswalks, pedestrian overpasses/underpasses, crossing guards
3. Transportation - Beacon Heights currently has two buses that drop off/pick up students each day.
4. School enrollment data - about 408 students
5. Facility capacity and design - Beacon Heights was built in 2004 on 5.75 acres for 600 students (max), and the building is capable of solar integration.
6. Geographic features of the district - we also consider other factors like whether there are any natural boundaries or major thoroughfares for pedestrians to navigate and the possible alignment of feeder patterns.
7. Special programs - Beacon Heights has BTS (art instruction), Ascend (Special Education), Pre K, and Neighborhood ELP (sometimes called "gifted & talented" program in other districts)
8. Financial implications - these will be covered in upcoming slides.
9. Student educational opportunities and academic performance - Strengths, ßeds, and performance are highlighted in your school’s SIP (School Improvement Plan) -we encourage you to read through yours (info about your school is also available through the USBE website on their Data Gateway tab).
10. School feeder patterns -Hillside and Highland High
11. Federal, state, or court mandates - A recent legislative audit concluded, in part, that the "Salt Lake City Board of Education should evaluate possible elementary schools for permanent closure."
12. Demographics.

Current Population and Boundary Study Proposed Timeline:

March, April, and May 2023 public input via School Community Councils and community meetings to study the needs and impacts of potential changes. A core set of options is generated.
Go to Salt Lake slcschools.org and click on the green button to learn more about Population and Boundary Study. Send your comments to the board.

May-June 2023 The Options Committee studies the viability of the core set of options focusing on the “safe, reasonable, simple, and cost-effective criteria in order to establish a list of viable options. This list is shared with each affected principal and SCC chair for their comment. The list of viable options is then presented to the Board in a report which includes recommendations and potential solutions.

September – October 2023 The list of recommended options will be presented at public open houses. Notice of the open houses will be provided to parents of students enrolled in any potentially affected school. All public comments are gathered and analyzed.

November 2023 - January 2024 The superintendent or designee(s) provides the feedback gathered from the open houses to the Board, and the public will be given two additional opportunities to comment on the recommended options in November. At its first public meeting in December, the Board will hold a public hearing and discuss the list of recommended options. If the Board determines to take action on the recommended options, the proposal will be placed on the action agenda for the next public board meeting.

In August of 2024 decision will be put into effect.

Land Trust Plan Tim Miller
- As part of our plan, we have set separate goals for our multi-language learners and our second-language learners.
- We aim to target both groups and have hired three pairs of paraeducators to support our efforts.
- One of these paraeducators will work closely with Amy Melinski, our teacher in charge of multi-language learners, to provide support and resources to this group of students.
- While the majority of our resources will still go towards hiring paraeducators, we will allocate one-third of our efforts towards supporting our multi-language learners.
- This plan is a valuable opportunity to support our students.
- Additionally, we could consider hiring individuals who speak Spanish or another language to further support our language learners.
- The strategies and theories taught in teaching English to second language learners can still be applied effectively even if the educator does not speak the native language.
- Our top languages are Chinese and Spanish, with Chinese making up around 10% of our Asian subgroup. Interestingly, our Mandarin-speaking students are increasing rapidly, and they are now almost equal in number to our Spanish-speaking students.
- If everyone is in agreement, we can go ahead and vote to approve the plan. If it's okay with you, I can add the minutes even though not everyone is present to directly discuss the matter.

Summer Bridge Workbooks Tim Miller:
- We have been exploring the possibility of selling summer bridge books for students to prevent summer learning loss. While these books can be purchased at local bookstores or online, we had considered selling them in our office. However, due to tax implications and equity concerns, we have decided against doing so.
- Instead, we will send home information on how parents can easily order these books on Amazon if they wish to do so. Spending just 20 minutes a day on these books can be a quick and effective way for students to prevent summer learning loss.
- Aside from that, we are currently in the midst of the testing season, and we will be getting out of school a little later than usual.

The meeting was adjourned with the next meeting date set for May 2nd at 7:30 am.
Board Policy G-5: District Reconfigurations & Long-Term School Closures

REFERENCES

G-5: Administrative Procedures, District Reconfigurations & Long-Term School Closures
Utah Code Ann. §53G-4-402(21), [Local School Board] Powers and Duties Generally
Utah Code Ann. §53G-6-302 et seq., School District Residency
Utah Admin. Code R277-437, Student Enrollment Options

THE POLICY

The Salt Lake City School District Board of Education recognizes that it may be necessary to make changes in the configuration and organization of district schools; such changes may include opening or closing a school, changing the grade structure of a school, demolishing and constructing a school building, and/or changing school boundaries. The board’s goal is to ensure that students are educated in school facilities that: are safe and secure; support students’ health and well-being; are capable of supporting the latest in educational programming; and contain furniture, fixtures, and school spaces that facilitate teaching and learning for all students. The board seeks to maximize the efficient use of district facilities and effective administration of district schools while balancing the effect that any changes can have on parents, neighborhoods, communities, district personnel, and, of course, students. The superintendent shall annually review the organization and configuration of district schools and, if necessary, make recommendations to the board for organizational adjustments.

When reviewing the configuration and organization of district schools, the superintendent will consider all applicable factors, including but not limited to school enrollment data; facility capacity and design; school feeder patterns; federal, state, or court mandates; community input; student safety; transportation capacity; community and neighborhood identity; geographic features of the district; special program facilities; environmental factors; demographics; aesthetics; financial implications; and educational programs. The board also requires that any recommendation to change the configuration of district schools or permanently close a school will address whether the proposed change is safe, reasonable, simple, and cost effective. These four criteria will help ensure a uniform review of proposed changes and identify areas of concern that should be studied by the board.

The purpose of this policy is to encourage a regular systematic review of the configuration and organization of district schools and establish a process for making any necessary modifications to that configuration.

The board encourages school officials, teachers, school community councils, individual school patrons, and community members to bring any concerns related to the configuration of district schools to the attention of the board and superintendent at any time.

The district has set forth its specific processes for implementing this board policy through the accompanying administrative procedures.
G-5: Administrative Procedures District Reconfigurations & Long-Term School Closures

DEFINITIONS:

Final Recommendation: Adjustments to the configuration of district schools and/or long-term school closures that are being recommended to the board for adoption.

Official Study List: A list of schools that are being studied in a given year by the district. This list is culled from suggestions collected from patrons, employees, board members, and community sources throughout the year and approved by the board.

Options Committee: An ad hoc committee, convened by the superintendent, whose charge is to suggest viable options for the board and community to consider.

Recommended Option(s): Proposed options that have received preliminary approval from the board to move forward in the process, which requires the superintendent or superintendent’s designee to give notice of the proposed options and receive community comment in accordance with state law.

Viable Option(s): The option(s) recommended to the board by the options committee, after receiving input from the local school community council.

PROCEDURES FOR IMPLEMENTATION

I. Procedures to be Followed During Each Year for Which an Official Boundary Study is Being Contemplated and/or Conducted

A. Public input on school boundaries

1. Concerns, suggestions, and questions may be raised by the public at any time during this process. See the steps below to determine to whom to direct such input, i.e., principal, school community council (SCC), and/or superintendent and/or the superintendent’s designee (collectively “G-5 Administrator”).

2. Members of the public wishing to make a formal public comment to the board must sign up to speak during the public comment period of a scheduled board meeting. See, B-2: Administrative Procedures, School Board Meetings, Section II, Public Participation at Board Meetings.

B. The official study list

1. Prior to the end of February, the G-5 Administrator will gather information to present to the board regarding possible school boundaries adjustments.

   a. In presenting this information to the board, the G-5 Administrator will have considered:

      i. School enrollment data, which may include, but is not limited to, declining or increasing enrollment data, future enrollment predictions, and the number of school choice applications.

      ii. Facility capacity and design, which may include if applicable consideration of the physical condition of buildings, maintenance/repair needs, utility costs, school utilization (enrollment vs. school capacity), and location.

      iii. School feeder patterns, which includes studying the impacts on the network(s) rather than just a particular school site.

      iv. Federal, state, or court mandates, which may dictate certain action to be taken by the school board and provide a time frame for taking such action.

      v. Demographics, which would include consideration of the racial, ethnic, and socio-economic status of the current school population. Consideration will be given as to whether an adjustment will increase, decrease, or maintain the demographic ratios at any affected school.

      vi. Community input, which will include gathering, to the extent possible, stakeholder feedback from parents, students, teachers, staff, employee organizations, local business leaders, district partners, school community councils, parent/teacher/student organizations, and other community members.

      vii. Student safety, including but not limited to the availability of safe walking/biking routes, crosswalks, pedestrian overpasses/underpasses, crossing guards, speed bumps, hawk lights, etc.
viii. Transportation, which includes but is not limited to looking at the costs/savings related to transportation, and the capacity of the district to transport all affected students and arrive at school on time.

ix. Geographic features of the district, including consideration of whether there are any natural boundaries, or major thoroughfares which cannot be crossed safely by pedestrians; as well as consideration for contiguity of the school zone, and alignment of the feeder patterns.

x. Special programs, which may include, but is not limited to, consideration of the presence or absence of special education programs, English language learners, dual language immersion programs, and accelerated and gifted programs.

xi. Financial implications, which may include consideration of operational costs, staffing, utilities, freed up subsidies, facility re-utilization, and central office reduction.

xii. Student educational opportunities and academic performance, which may include data related to student proficiency and student growth.

2. No later than the end of February, an official study list will be approved by the board containing the school boundaries to be studied.

3. From March to May, assigned staff will meet with each principal and SCC chair that is directly affected by the official study list, to generate a core set of options to be considered by the options committee.

4. From May to June, the options committee will study the viability of core options focusing on the “safe, reasonable, simple, and cost effective” criteria in order to establish a list of viable options.

5. Prior to presenting the list to the board in July, the options committee will report its recommendation of viable options to each affected principal and SCC chair for their comment.

C. Establishing recommended option(s)

1. In July, information from the options committee and comment from each affected school is reported to the board.

2. No later than the first board meeting in August, the board must approve any recommended options for boundary changes for further study.

   a. If the board approves recommended options for further study, the following actions must be taken:

      i. at least 120 days before approving a school boundary change, the district will notify the following individuals that the board is considering a boundary change:

         (a) parents of students enrolled in the schools directly affected by the proposed boundary change, using email or the parent’s preferred method of communication;

         (b) parents of students enrolled in other schools within the district that may be affected by the proposed boundary change, using email or the parent’s preferred method of communication;

         (c) Salt Lake City Council members; and

         (d) Mayor of Salt Lake City.

      ii. provide an opportunity for public comment on the proposed boundary change during at least two public board meetings; and

      iii. hold a public hearing and provide public notice of the hearing in accordance with state law.

   b. The notice of the public hearing shall indicate the school(s) which will be impacted by the proposed boundary change, and the date, time, and location of the public hearing.

      i. At least 90 days before the public hearing, the district will provide notice of the public hearing to:

         (a) parents of students enrolled in the schools directly affected by the proposed boundary change, using email or the parent’s preferred method of communication;

         (b) parents of students enrolled in other schools within the district that may be affected by the proposed boundary change, using email or the parent’s preferred method of communication;

         (c) Salt Lake City Council members; and

         (d) Mayor of Salt Lake City.

      ii. The notice listed immediately above in Section I.C.2.b.i., shall also be provided 60 days prior to the public hearing, and again 30 days prior to the public hearing.

      iii. At least 10 days before the public hearing, the required notice must be:

         (a) published:

             (1) in a newspaper of general circulation in the area; and

             (2) on the Utah Public Notice Website; and

         (b) posted in at least three public locations within Salt Lake City, on the school district’s official website, and prominently at the school; and the district will notify parents of enrolled students
that the board is considering closing the virtual school.

a. The board recommended options may also be presented at information sessions scheduled throughout September and October.
   i. The number and location of the information sessions will be determined by the board.
   ii. Notice of any open information sessions will be provided to parents of students enrolled in the schools affected by the proposed boundary changes.

D. Adopting boundary changes
   1. During the first board meeting in November, one of the required public comment opportunities will be placed on the board’s agenda, and the G-5 Administrator will provide feedback from any information sessions for the board’s consideration.
   2. During the second board meeting in November, the second required public comment opportunity will be placed on the board’s agenda, and the recommended options for boundary changes will be placed as a discussion item on the board agenda.
   3. During the first board meeting in December, the required public hearing will be held as part of the board’s agenda, and the recommended options for boundary changes will be placed as a discussion item on the board agenda.
   4. If after discussing the recommended options the board determines to take action on a proposed boundary change, the final recommended options for boundary changes will be placed on the action agenda for the next public board meeting.
   5. Except in emergency situations, the following school year is the earliest any approved boundary change will take effect.

II. Procedures to be Followed During Each Year for Which an Official Long-Term School Closure Study is being Conducted

A. The same process outlined in Section I shall be followed whenever a long-term school closure is being considered.

B. In addition to the factors outlined in Section I.B.1., if a long-term school closure is being contemplated, the G-5 Administrator will also consider:
   1. Community and neighborhood identity, recognizing that having a neighborhood school can be an integral part of a neighborhood’s identity and improve a family’s sense of community. Consideration will be given to the availability of nearby schools to the ones being considered for closure, as having a nearby school can lessen the impact of displacement and increase the connection to a new school.
   2. Special program facilities, for example, special programs, such as providing services for special education students, may require special facilities. Consideration will be given regarding the extent to which a large capital investment has been made in creating such special facilities and the costs associated with rebuilding those facilities elsewhere.
   3. Environmental factors, for example a school’s surroundings may have changed since it was first opened. Zoning may have been relaxed to allow more businesses with increased traffic, or there might be new environmental hazards that now compromise the safety of the students at a school.
   4. School designations, including whether the school has been identified for “comprehensive support and improvement,” “targeted support and improvement,” or “turnaround.”

C. Because a long-term school closure will necessitate boundary adjustments, if a long-term school closure is being contemplated, one comprehensive process will be run to address the school closure and boundary adjustment proposals. The process will follow the timelines and procedures outlined in Section I.

III. Timelines to be Followed in Special Circumstances

A. In certain circumstances, including but not limited to when school buildings have been made unsafe or unsanitary due to a natural or man-made disaster, the board may vote to utilize an abbreviated process in order to change school boundaries or close a school.
   1. In the event that a shortened process is necessary, the minimum requirements provided for in state law will be followed.
      a. The shortened process will include the 120-day notification process, opportunity for public comment at two board meetings, and public hearing requirements.

B. If circumstances require the extension of any timeframe listed in these administrative procedures, the G-5 Administrator will notify the board that a particular deadline has been extended due to extenuating circumstances.

C. If the district determines that one of its virtual schools is no longer viable and contemplates its closure, because no boundary changes are necessary, the following shortened closure process will be used:
1. By April 15th of a given school year in which closure is contemplated for the upcoming school year:
   i. Such notification will be made using email or the parent’s preferred method of communication.
   b. The district will notify Salt Lake City Council members and the Mayor of Salt Lake City of the proposed closure.
2. The board will provide an opportunity for public comment on the proposed virtual school closure during at least two public board meetings; and
3. The board will hold a public hearing on the proposed closure and provide public notice of the hearing in accordance with state law.

IV. Decisions Related to District Facilities no Longer in Use as School Buildings
A. Once a decision has been made to permanently close a school building, the board will examine various options for ensuring that the land and/or building remain an asset to the community and do not become a blighting incident or safety hazard.
   1. In accordance with all applicable state and federal laws and regulations, the board will consider options for selling, leasing, re-purposing, or demolishing the school building.
      a. Typically, the board will prefer an option that allows the building/space to be used in a manner that directly benefits the district and/or its students.
   2. To the extent practicable, the board will solicit input from community members on options that will benefit or appeal to the community.
An In-Depth Budget Review of the Salt Lake City School District

Office of the Legislative Auditor General

Report to the UTAH LEGISLATURE
Audit Subcommittee

President J. Stuart Adams, Co-Chair
President of the Senate

Senator Evan J. Vickers
Senate Majority Leader

Senator Karen Mayne
Senate Minority Leader

Speaker Brad R. Wilson, Co-Chair
Speaker of the House

Representative Mike Schultz
House Majority Leader

Representative Brian S. King
House Minority Leader

Audit Staff

Kade R. Minchey, Auditor General, CIA, CFE

Christopher McClelland, Audit Supervisor, CIA, CFE

Madison Cicon, Audit Staff
Lindsay Jaynes, Audit Staff
December 13, 2022

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report:

“An In-Depth Budget Review of the Salt Lake City School District” [Report #2022-16].

An audit summary is found at the front of the report. The scope and objectives of the audit are included in the audit summary. In addition, each chapter has a corresponding chapter summary found at its beginning.

This audit was requested by the Legislative Audit Subcommittee, pursuant to Utah Code 36-12-15.1.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE
Auditor General
kminchey@le.utah.gov
AUDIT REQUEST

The Legislative Audit Subcommittee requested that we perform an in-depth budget review of the Salt Lake City School District (SLCSD, or district) to determine the district’s efficiency and effectiveness in using funds. This is the second in-depth budget review of a local education agency (LEA) after Senate Bill 160 was passed in 2021 which expanded the scope of in-depth budget reviews to include LEAs.

BACKGROUND

SLCSD oversees the education of around 20,000 students and has experienced a decline in enrollment since 2015. Overall district expenditures in fiscal year 2021 were $302 million.

As part of our audit work, we created a school district dashboard that highlights districts’ demographics, expenditures, student achievement, and other information.

RECOMMENDATIONS

- SLCSD should plan future expenditures with demographic changes in mind.
- The Salt Lake City Board of Education and its members should review and follow the board’s policies and handbook that make it clear that board members should not be involved in day-to-day administration of the district.
- The Legislature should consider whether additional options should be placed in statute to allow school boards to hold individual board members accountable.
- SLCSD, in an effort to promote student proficiency and growth, should focus on identifying high performing teachers and schools, and replicating their successful practices with other teachers and schools where needed.
- The Salt Lake City Board of Education should evaluate possible elementary schools for permanent closure.
- The Legislature should consider modifying statute for new tax increment financing agreements or future renewals of current tax increment financing agreements by either accounting for mitigation funds in state funding or eliminating the option to receive mitigation funds.

Summary continues on back >>
SLCSD Could Address Unique Challenges by Improving Operational Efficiencies

The Salt Lake City Board of Education has not made adjustments in response to declining enrollment, which has increased the district’s costs per student. SLCSD should adopt best practices in the operations of the district to improve efficiency and effectiveness.

Board Member Actions Should Prompt a Review of Governance Best Practices in SLCSD

Actions by the Salt Lake City Board of Education members should prompt a review of the district’s board handbook and governance best practices. The district’s culture and tone at the top created by board members has the potential to negatively impact the district’s internal controls and diminish the district’s ability to meet district goals.

SLCSD Can Do More to Target Student Improvement

The district’s unique governance structure appears to create a barrier to the sharing of best practices. Identifying instructional best practices and implementing them in underperforming schools may have a direct impact on student performance.

SLCSD Should Evaluate Building Needs and Ensure Efficient District Organization

Operating schools inefficiently costs SLCSD almost $3.6 million annually in administrative, utility, and food services costs. Two increases in property taxes possibly would have been unnecessary had the district adjusted its number of elementary schools in a timely manner and chosen not to rebuild elementary schools.

Structure of Public Education Funding Allows Districts Participating in TIF Agreements to Receive Additional State Funding

SLCSD and other districts have received mitigation funds from tax increment financing agreements that have resulted in almost $4.4 million in additional state spending. We believe changes to statute could help align school district incentives with that of the state and ensure public education funding is equitable.

SLCSD’s Non-Construction Costs per Student Are Higher Than Those of Peer Districts

When accounting for pay differences, SLCSD continues to outpace peers in per student costs. Peer districts include Provo City, Tooele County, Cache County, Ogden, and Granite School Districts. We believe, in the future, the district may have to rely more heavily on local sources of funding, not tied to enrollment, if greater efficiencies are not achieved.
### Five Year Percentage Change in Spending (FY2016-2021)

<table>
<thead>
<tr>
<th>Classroom Spending</th>
<th>Nonclassroom Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>1.3%</td>
</tr>
<tr>
<td>Instruction &amp; Student Support</td>
<td>0.7%</td>
</tr>
<tr>
<td>Administration</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Facilities, Construction and Debt</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Other Non-Instructional Services</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

### Distribution of Teaching Experience

<table>
<thead>
<tr>
<th>Experience</th>
<th>1st Year District</th>
<th>2-3 Years District</th>
<th>4-6 Years District</th>
<th>7+ Years District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>0%</td>
<td>10%</td>
<td>30%</td>
<td>60%</td>
</tr>
</tbody>
</table>

### Tax Base Per Pupil vs. Property Tax Rate

- **State Average**
  - Property Tax Rate: 0.60%
  - Tax Base Per Pupil: $3,000

### Distribution of Teaching Experience

- **Proficiency**
  - English: 40%
  - Mathematics: 40%
  - Science: 40%

- **Student Proficiency Scores**
  - District: 40%
  - State Average: 40%
Table of Contents

Chapter 1 The Salt Lake City School District Could Address Unique Challenges by Improving Operational Efficiencies ......................................................... 3
  1.1 SLCSD’s Unique Challenges Can Be More Efficiently Managed................................................. 3
  1.2 Opportunities Exist for SLCSD’s Child Nutrition Program to Be More Efficient .................. 6
  1.3 District Spending on Utilities Is Greater Than Expected Given Enrollment ......................... 8
  1.4 SLCSD Internal Audit Does Not Adequately Evaluate District Risks .................................... 9

Chapter 2 Board Member Actions Should Prompt a Review of Governance Best Practices in the Salt Lake City School District .................................. 13
  2.1 Actions by Board Members Increase the Risk of Unrealized Goals and Noncompliance ... 13
  2.2 Board Approved Governance Structure Appears to Create Inefficiencies and Confused Accountability ................................................................. 19

Chapter 3 The Salt Lake City School District Can Do More to Target Student Improvement ............................................................. 25
  3.1 The District Should Find Opportunities to Replicate Practices of Successful Schools ........ 25
  3.2 The District Has Not Provided Adequate Oversight Over Student Success Plans ............. 30
  3.3 A Majority of SLCSD’s Schools Have Not Recovered to Pre-Pandemic Proficiency Levels ................................................................................................. 33

Chapter 4 The Salt Lake City School District Should Evaluate Building Needs and Ensure Efficient District Organization ................................. 39
  4.1 Board Decisions and Inaction in Response to Demographic Changes Increased District Costs and Property Taxes ............................................................... 39
  4.2 Board Policy and Superintendent Turnover Likely Contributed to the Lack of Board Action on School Closures .............................................................. 45

Chapter 5 Structure of Public Education Funding Allows Districts Participating in Tax Increment Financing Agreements to Receive Additional State Funding ........ 51
  5.1 Statute Allows Salt Lake City and Other School Districts to Receive an Extra $4 Million in State Funding ................................................................. 51

Complete List of Audit Recommendations ..................................................................................... 59
Agency Response .................................................................................................................................. 60
The Salt Lake City School District (SLCSD, or the district) receives most of its revenue from local sources, including property taxes. Despite its decline in enrollment, SLCSD has been relatively consistent in its spending over the past five years. SLCSD is well funded but could improve efficiency in areas such as child nutrition and plant operations. SLCSD could become more efficient and effective by following best practices.

**FINDING 1.1**
SLCSD’s unique challenges can be more efficiently managed.

**RECOMMENDATION 1.1**
The Salt Lake City School District should plan future expenditures with demographic changes in mind.

**FINDING 1.2**
Opportunities exist for SLCSD’s child nutrition program to be more efficient.

**RECOMMENDATION 1.2**
The Salt Lake City School District should ensure it is using an efficient number of administrative staff to meet child nutrition program needs.

**FINDING 1.3**
District spending on utilities is greater than expected, given enrollment.

**RECOMMENDATION 1.3**
The Salt Lake City School District should develop a structured preventative maintenance plan and carefully consider the recommendations made in Chapter 4 of this report.

**FINDING 1.4**
SLCSD internal audit does not adequately evaluate district risks.

**RECOMMENDATION 1.4**
The Salt Lake City School District should implement a more robust internal audit function that includes a risk assessment of district programs and reports findings directly to the Board Finance Committee.

**Conclusion**
SLCSD faces unique urban challenges that have led to additional district programs and spending. The Salt Lake City Board of Education has not made adjustments in response to declining enrollment, which has increased the district’s costs per student. SLCSD should adopt best practices in the operations of the district to improve efficiency and effectiveness and reduce risks within the district.
Chapter 1
The Salt Lake City School District Could Address Unique Challenges by Improving Operational Efficiencies

1.1 SLCSD’s Unique Challenges Can Be More Efficiently Managed

Salt Lake City School District (SLCSD, or district) has the responsibility to oversee the learning and development of students in the foundational years of their academic career. As an urban district in Utah, SLCSD faces challenges in educating a diverse population with many needs. In addition, SLCSD has experienced a decline in student enrollment, which could impact school district finances because state funding is tied to the number of students. SLCSD could better address these challenges by rightsizing the district’s number of elementary schools and improving operational efficiencies.

SLCSD Student Characteristics Necessitate Additional, Costly Programs

Among Utah’s forty-one school districts, SLCSD has some of the highest percentages of students who qualify for free or reduced-price lunch, are English-language learners, or are self-contained special education students.1 Figure 1.1 shows how SLCSD compares in these student categories against peer districts with similar enrollment.

Figure 1.1 SLCSD Has Some of the Highest Proportions of Students in Certain Demographic Categories. Compared with peer districts with similar enrollment, SLCSD has a higher percentage of students who are self-contained special education students, are English-language learners, or who qualify for free or reduced-price lunch.

Source: Auditor analysis of Utah State Board of Education data
Note: Average daily membership data was used for enrollment calculations in this figure.

1Per the “Special Education Rules” published by the Utah State Board of Education, “Self-contained’ means a public-school student with an [Individualized Education Program] or a youth in custody/care (YIC) who receives 180 minutes or more of special education or YIC services during a typical school day per R277-419-2(35).”
These demographics have likely led SLCSD to adopt more programs and spend additional funds to meet student needs compared to peer districts. Most other local education agencies (LEAs) in Utah have fewer students who experience challenges such as homelessness, resulting in fewer programmatic needs. Because self-contained special education students require resources and assistance throughout the school day, SLCSD may require additional staff to fill the need. To accommodate such needs, the district must ensure it is using resources efficiently.

**Like Enrollment in Other Urban School Districts, SLCSD Enrollment Is Shrinking**

SLCSD and other urban districts in the state have seen a decline in student enrollment in recent years. Figure 1.2 shows the five-year percent change in enrollment among all Utah school districts, with SLCSD experiencing some of the highest declines in the state.²

**Figure 1.2 Student Enrollment in SLCSD Has Shrunk More Than Enrollment in Almost Any Other School District in the State.** Enrollment in the district has declined by 13 percent over the past five years.

² Provo City School District reports its decline in enrollment is due to the closure of its online program in the last five years. With the exception of Tintic School District, the four school districts with the sharpest decline in enrollment are urban districts. Percentage change in Tintic School District enrollment are sensitive to even small changes due to its relatively low enrollment (213 students enrolled in school year 2021).
Despite a demographic study that anticipated a decrease in enrollment and half a decade of enrollment decline, the Salt Lake City Board of Education (SLCSD board) has not taken direct action to address this growing problem. Chapter 4 of this report provides additional information on changes in SLCSD enrollment and the district’s response.

SLCSD’s costs per student are increasing. This is due, in part, to a decline in enrollment and growing annual expenditures. In addition, the number of SLCSD’s district administrative staff has continued to rise over the last five years. Many factors could impact the increase in spending, particularly the cost to compensate personnel fairly and competitively.

**SLCSD Should Scale Costs to Enrollment Decline**

SLCSD’s cost per student outpaces that of peer districts with similar enrollment and demographics. This is likely due to declining enrollment and annual increases in expenditures. Figure 1.3 demonstrates the changes in SLCSD’s non-construction costs per student over time compared to peer districts. We accounted for labor market differences by weighting district expenditures according to relative salaries for teachers and administrators.

![Figure 1.3 SLCSD's Non-Construction Costs per Student Are Higher Than Those of Peer Districts.](image)

When accounting for pay differences in SLCSD, SLCSD continues to outpace peers in per student costs. Peer districts include Provo City, Tooele County, Cache County, Ogden, and Granite School Districts.

SLCSD’s cost per student is higher than that of its peers with similar enrollment or demographics. SLCSD receives most of its revenues from local sources, including property tax revenue, and has a large property tax base in the state’s capital city. We
believe the district may have to rely on local sources more heavily in the future if action is not taken to make the district more efficient as enrollment declines. Considering the potential impact to school district finances because state funding is tied to student enrollment, SLCSD should pursue cost savings and opportunities to scale back personnel.

1.2 Opportunities Exist for SLCSD’s Child Nutrition Program to Be More Efficient

Like other districts in the state, SLCSD faces difficulties in staffing child nutrition positions in schools. SLCSD uses its budget to staff a large administrative office in the nutrition program and may be able to better meet student needs by prioritizing its budget to recruit and retain nutrition staff in schools. Though the district’s child nutrition program is generally self-sufficient, our analysis shows there could be opportunities to increase efficiency. We believe every program should carefully review its operations and determine if inefficiencies exist.

Administrative Staff Expenditures in SLCSD’s Child Nutrition Program Raises Questions About Efficiency

SLCSD appears to spend more on child nutrition administrative staff than enrollment peers. Figure 1.4 shows that SLCSD spends 22 percent of its child nutrition budget on administrative salaries and benefits—a higher proportion than what is seen in peer districts. While the district likely processes more free and reduced-price meal applications than enrollment peer districts, potentially necessitating some additional staff time, SLCSD participates in a similar number of meal programs overall. Again, we believe every program benefits from close scrutiny to determine if efficiency could be improved.

---

3 Directors for child nutrition programs in SLCSD and peer districts self-reported which of their staff were in administrative positions. We compared the information provided and applied the same classification to similar staffing position titles across districts. For example, secretaries are classified as “Administrative Staff” and warehouse employees are classified as “Other Staff” for the purposes of our analysis.
In recent years, SLCSD and districts across the state have had difficulties staffing child nutrition programs. SLCSD has filled in gaps by using volunteers, student employees, and by reducing the number of lunch lines open for high schools. Along with supply chain related issues, this has resulted in longer wait times for students, less time to eat, and less variety in meal choice. In school year 2022, administrative staff of SLCSD’s child nutrition program often worked in schools with insufficient lunchroom staff.

Child nutrition programs have an important duty to provide reliable nutrition to students. Though SLCSD’s child nutrition program is generally self-sufficient, the program could become more efficient by evaluating the number of administrative staff employed. Reducing the number of district schools in operation, as discussed in Chapter 4 of this report, would also free up funding for the program by reducing the number of kitchen staff needed.

**RECOMMENDATION 1.2**

The Salt Lake City School District should ensure it is using an efficient number of administrative staff to meet child nutrition program needs.
1.3 District Spending on Utilities Is Greater Than Expected Given Enrollment

SLCSD’s plant operations spending on utilities and energy is much higher than that of peer districts with similar enrollment. Figure 1.5 shows that SLCSD’s spending on utilities is close to the state average on a per-school basis but more than the state average and its peers on a per student basis. The higher utility spending per student illustrates the point made earlier in this chapter that if the district does not achieve more efficiencies, they may have to rely on local sources more heavily in the future. Chapter 4 of this report further discusses the need for the district to evaluate building needs.

Figure 1.5 SLCSD Spends More on Utilities Than Peer Districts. SLCSD’s utility spending given their number of schools is close to the state average. However, utility spending given their total enrollment is much higher than the state average. Yellow circles represent SLCSD’s enrollment peers, whose spending on utilities is much lower than SLCSD’s. This means that SLCSD generally has fewer students in each school than peer districts.

SLCSD’s (the blue stars) utility spending by total number of schools aligns with the state average but is higher than that of enrollment peers (yellow dots). On a total enrollment basis, SLCSD’s utility spending exceeds the state average and utility spending among enrollment peers. SLCSD’s total utility spending is closer to that of school districts with more schools and more students. SLCSD’s near state average spending on utilities by total number of schools, combined with high utility spending by total enrollment, suggests that the district’s funds are used to keep buildings open and running despite shrinking enrollment. Districts with similar enrollment have fewer schools, on average, than SLCSD, resulting in significantly lower total utility costs. Consolidating elementary schools would lower utility costs and help the district to become more efficient, a topic
covered in greater detail in Chapter 4 of this report. SLCSD recently adopted a sustainability plan that, once implemented, has the potential to reduce energy and utility costs but with substantial up-front costs.

SLCSD does not maintain a structured preventative maintenance plan for their buildings and equipment. Best practices suggest that a review of assets (for example, buildings, grounds, and equipment) to create a structured preventive maintenance plan and keep track of the needs and work history of all facilities can increase cost savings.

**RECOMMENDATION 1.3**

The Salt Lake City School District should develop a structured preventative maintenance plan and carefully consider the recommendations made in Chapter 4 of this report.

1.4 SLCSD Internal Audit Does Not Adequately Evaluate District Risks

SLCSD employs a part-time internal auditor who reports to the district’s finance director. With $302 million in expenditures in fiscal year 2021, SLCSD is the size of some of the larger state agencies and therefore may incur significant risk by not having a more robust internal audit program. By statute, LEAs with more than ten thousand students are required to “establish an internal audit program that provides internal audit services for the programs administered by the local education agency.”4 The Utah Internal Audit Act also requires executive branch agencies to establish internal audit programs.5

According to the Institute of Internal Auditors,

**Institute of Internal Auditors**

“In internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

We do not believe SLCSD’s internal audits provide the benefit anticipated by the statutory requirement to have an internal audit function. An audit function can provide more value to an organization than just financial compliance. A strong internal audit function looks for efficiency and effectiveness in programs to improve risk management. SLCSD’s audits appear to be mostly compliance related and may not respond to identified risks or problems in the district. The internal auditor also does not report findings directly to the SLCSD board. Standards of the Institute of Internal Auditors hold that internal auditors must report to the governing board to effectively achieve

---

4 *Utah Code* 53G-7-402.
5 *Utah Code* 63I-5-201.
organizational independence. For this reason, we recommend that SLCSD’s internal auditor report findings to the SLCSD Board Finance Committee.

We recognize that LEAs are often required to undergo external financial audits and compliance audits. An internal audit function could be an additional resource to recommend changes and ensure that issues are identified internally and early.

**RECOMMENDATION 1.4**

The Salt Lake City School District should implement a more robust internal audit function that includes a risk assessment of district programs and reports findings directly to the Board Finance Committee.
Statute gives local school boards authority over the administration of public education in their district. However, statute does not provide complete guidance for proper board behavior, both in the division of responsibilities between school board and superintendent and in board ethics. Board policies and handbooks clarify responsibilities and expectations for board members. Best practices for internal controls and board governance further help school board members provide effective board governance.

**RECOMMENDATION 2.1**
The Salt Lake City Board of Education and its members should review and follow the board’s policies and handbook that make it clear that board members should not be involved in day-to-day administration of the district.

**RECOMMENDATION 2.2**
The Salt Lake City Board of Education should continue to self-assess their compliance with policies, statute, and rule and their progress towards board goals at least every other year.

**RECOMMENDATION 2.3**
The Legislature should consider whether additional options should be placed in statute to allow school boards to hold individual board members accountable.

**RECOMMENDATION 2.4**
The Salt Lake City Board of Education, in cooperation with the teachers’ association, should survey other districts, carefully consider best practices, and determine how to improve the written agreement.

**RECOMMENDATION 2.5**
The Salt Lake City School District should use semi-annual shared governance trainings to clarify responsibilities for different parties and address areas frequently misunderstood.

**FINDING 2.1**
Actions by board members increase the risk of unrealized goals and noncompliance.

**FINDING 2.2**
The board approved governance structure appears to create inefficiencies and confused accountability.

**CONCLUSION**
A school board’s role is to govern a school district. How effectively a school board governs is strongly connected with the school district’s success. Actions by SLCSD board members should prompt a review of the SLCSD board handbook and governance best practices. The district’s culture and tone at the top created by board members has the potential to negatively impact the district’s internal controls and diminish the district’s ability to meet its goals. The district’s unique governance structure, which is approved by the SLCSD board, also impacts the district’s ability to efficiently and effectively manage the district.
Chapter 2
Board Member Actions Should Prompt a Review of Governance Best Practices in the Salt Lake City School District

2.1 Actions by Board Members Increase the Risk of Unrealized Goals and Noncompliance

Our office conducted a comprehensive review of public education in Utah over the course of several years. One of our conclusions from those audits was that:

> Every decision to improve education is based on the foundation of education’s governance. As such, governance should continue to be at the forefront of the discussion.\(^6\)

The need to review the governance model and governance best practices at the Salt Lake City School District (SLCSD, or district) is strong. A governing board is responsible for setting policy and expectations for district performance. A governing board also plays a role in setting the proper tone for a district in terms of compliance and accountability. We have found instances of board member involvement at SLCSD that lead us to question whether board members are acting in their proper role as part of a governing body, or if board members have overstepped their role into administration. We also identified instances that lead us to question proper ethical behavior by some board members. We believe these actions and behaviors can negatively impact the district’s governance and internal control system. Internal controls refer to the policies, practices and procedures that ensure an organization achieves its goals, uses resources economically, and that the information provided to support leadership decisions is reliable. We are concerned that some actions by board members have created an environment that, in turn, can impact the district’s ability to achieve its goals and objectives. We recommend that the Salt Lake City Board of Education (SLCSD board) self-assess its governance model and role in the district as well as review its compliance with current policies and then track its progress towards SLCSD board goals at least every other year.

Some Individual Board Member Actions Support Need for Self-Assessment and a Review of Governance Best Practices

During the course of the audit, we received a number of allegations from current and former district administrators and board members of improper actions by SLCSD board members. We reviewed these allegations to determine whether they could be

corroborated, and if so, whether they weakened the control and governance framework of the district. The allegations listed in this report are those we could sufficiently substantiate.

Some allegations could not be substantiated. However, the level of concern and the widespread nature of those concerns expressed to us related to board member actions, we believe, on their own, merits a review of SLCSD board compliance with current policies and best practices. Current and former administrators, as well as board members, repeatedly raised concerns about board member actions they perceived to be inappropriate. Individuals interviewed also stated that board member actions affected the district’s ability to operate efficiently and effectively. These concerns were sufficiently widespread in the district to indicate that, beyond the specific allegations in this section, the district has a problem with how the SLCSD board is perceived and the culture that perception has created.

The following is a summary of the allegations that we verified or corroborated, grouped by the type of problem found. Each of the allegations involve questions of proper governance roles of board members.

### Questions of Improper Board Member Involvement in District Administration

- According to current and former district employees and board members, a board member requested the district’s superintendent terminate specific principals in the district.

- According to current and former district employees directly involved, a board member reached out to district personnel repeatedly to insist that district administrators verify that a student athlete lived in district boundaries by making a home visit.

- A board member reportedly spoke out at an orientation meeting for parents of gifted and talented students at a high school. The board member provided incorrect information and spoke in place of the principal.

- A board member instructed a district employee to not discourage other district employees from going straight to board members with ideas or concerns. The SLCSD board handbook states that the SLCSD board commits to "Encourage staff and community members to follow established chain of command when issues arise."

*Source: Conversations with current and former district administrators and board members*
An In-Depth Budget Review of the Salt Lake City School District

Questions of Conflict of Interest and Unprofessional Behavior

- In 2019, one board member requested an investigation of a canceled contract with a vendor that provided after-school instruction at an elementary school. We reviewed the available evidence presented for cancelling the contract and found the decision to be reasonable. According to multiple current and former district administrators and board members, the board member who requested the investigation stated that they had a friendship with the owner of the company. The concern is that when a board member acts in a way that appears to benefit a friend it gives, at the very least, an appearance of improper governance.

- News organizations reported that board members engaged in unprofessional behavior via text message in 2020. Two board members in several instances sent disparaging texts about the public, a fellow board member, and district staff. Another board member used explicit language directed towards another board member in text messages.

Source: Salt Lake City Board of Education meeting minutes; conversations with current and former district administrators and board members

Questionable Procurement Involvement

In 2021, the SLCSD board sought a new contract for legal representation. After a board member on the evaluation committee expressed preference for the losing proposal, the SLCSD board cancelled the request for proposal (RFP). According to SLCSD, the preferred firm ultimately contracted with the district through a subsequent procurement process. The SLCSD board can cancel an RFP without issuing a contract. However, the cancellation of the RFP, combined with statements made in favor of the losing proposal, gives the appearance that the SLCSD board engaged in an unfair process.

Source: Salt Lake City Board of Education meeting minutes and audio

Taken together, these actions give the appearance that individual board members, at times, acted outside the bounds of SLCSD board policies and best practices. The concern that board members were acting outside their defined role as board members was a common concern expressed to us. These policies and best practices are discussed in the following section and demonstrate the importance of compliance and good governance.

Board Policies and Best Practices Outline Requirements for Board Members, But Further Review Is Needed

Statute places almost all school district powers and responsibilities on school district boards of education. SLCSD board policies and best practices supplement statute and help school boards know how to effectively lead and govern their school districts.
SLCSD’s Board Policies and Handbook Help Define Specific Board Responsibilities and the Board’s Governance Role. According to these policies and the handbook, the SLCSD board adopts policy for the district, develops a long-range plan for student achievement, and appoints a superintendent and a business administrator. As part its policies, the SLCSD board has adopted a statement of ethics that is reviewed and agreed to annually by board members. This statement includes the following standards:

Salt Lake City Board of Education Policy B-1

I will represent the board with dignity and integrity.

I will treat fellow board members, district staff, and members of the public with respect and consideration.

I will avoid conflicts of interest or the seeking of inappropriate personal advantage as a result of serving on the board.

Source: Salt Lake City Board of Education policies

In addition, the SLCSD board handbook provides a framework for proper board governance. According to the handbook, the SLCSD board commits to:

- Focus on strategic governance and not management of the daily operations of the District.
- Recognize the authority of the Superintendent as the District’s chief executive officer.
- Encourage staff and community members to follow established chain of command when issues arise.

The handbook further states, “When board members receive information that raises questions or concerns about the district, they should communicate that information to the Superintendent.” These provisions, as well as the overarching responsibilities found in SLCSD board policies, are consistent with best practices encouraged by school board associations in Utah and surrounding states.

The SLCSD Board, as the Oversight Body for the School District, Governs the District and Plays an Important Role in Establishing Effective Internal Controls. According to the United States Government Accountability Office (GAO): “Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity.” A school district's administration is responsible for much of the implementation of internal controls. However, a school board plays an important role in ensuring an effective control environment, which is the atmosphere in which members of the organization operate. The control environment establishes the foundation for other
components of internal control and reflects the values of an organization. The GAO further states:

The oversight body and management should demonstrate a commitment to integrity and ethical values...[They] set the tone at the top and throughout the organization by their example, which is fundamental to an effective internal control system.

A compromised control environment affects the quality and implementation of all other internal control efforts. In a review of best practices for limited purpose entities in 2017, our office found that weak board oversight and control is one of the most common causes of problems found in past audits of these entities. Limited purpose entities experienced such problems as embezzlement, conflicts of interest, and circumvention of statutory requirements.

**Governing Boards Play a Vital Role in a District’s Culture and the Tone at the Top**

It is our experience that the tone at the top of an organization is vital to the success of an organization. A governing board can set a tone and encourage a culture in an organization that can either propel that organization to success or hinder effective management. We believe that the SLCSD board should carefully review its practices and policies and ensure its members are establishing a tone and culture that will best help the district succeed and, ultimately, help the district’s students to grow.

Actions contrary to board policies minimize the importance of compliance for the rest of the district. This has the potential to create an environment where internal controls (the processes and procedures of an organization that are designed to help achieve the goals and strategies of an organization) function less effectively. If internal controls are compromised, or if there is a strong appearance that they are compromised, it decreases the likelihood of district success in accomplishing its mission, goals, and objectives. We believe a healthy control environment is crucial for school districts since their purpose and objectives center on educating students.

When board members take actions outside their role as a member of a governing body, they create problems for district administration. According to multiple current and former district administrators, excess involvement by board members creates an atmosphere where district personnel are addressing and responding to board member needs and requests, possibly creating confusion for district employees who are accountable to district administration. Meeting the demands of board members may take focus away from helping schools and students. Combined with superintendent turnover, the excessive focus on district day-to-day activities by board members may explain why updates to the district’s student achievement plan have been delayed. According to other states, board member micromanagement distracts from the SLCSD board’s core mission, confuses roles, and slows district momentum.

We believe the SLCSD board can address the issues brought up in this section by following existing policies, including the SLCSD board handbook, and regularly self-assessing their performance.
The district reports the SLCSD board conducted a self-evaluation two years ago. In addition, the SLCSD board handbook stipulates the SLCSD board can choose to perform a self-evaluation annually. To ensure board members are holding themselves accountable, the SLCSD board should perform a self-evaluation at least every other year with a focus on compliance with policies, statute, and rule and their progress towards board goals.

School board self-assessments are encouraged by Washington, Oregon, Idaho, Arizona, Wyoming, and Utah school board associations as a way for school boards to increase board effectiveness. We believe self-assessment can help the board identify areas for improvement and potentially prevent future problems.

**There Are Limited Options to Hold Board Members Accountable**

We believe the recommendation made to the SLCSD board to conduct regular self-assessments in the future will help identify problematic board member actions, if present, and encourage future compliance. However, school boards are limited in their ability to address inappropriate board member actions. Statute allows school boards, by a two-thirds vote, to fine or expel a member from a board meeting for:

- Disorderly conduct at the open public meeting;
- A member’s direct or indirect financial conflict of interest regarding an issue discussed at or action proposed to be taken at the open public meeting; or
- A commission of a crime during the open public meeting.

The SLCSD board handbook also allows the SLCSD board, by a five-member vote, to formally reprimand a board member for disruptive or destructive behavior. As an example of the SLCSD board’s limited ability to correct board member behavior, SLCSD reported to us that the SLCSD board was unable to take substantial action against a board member who was arrested for crimes against children in 2021. Problematic board member actions and behavior could last the duration of a four-year term before voters can replace them in an election. The Legislature should consider whether additional provisions should be placed in statute to allow boards to better hold individual board members accountable.
2.2 Board Approved Governance Structure Appears to Create Inefficiencies and Confused Accountability

While the SLCSD board policies and handbook outline responsibilities for both the SLCSD board and the superintendent, the written agreement between the SLCSD board and the SLCSD teachers’ association empowers teachers to make certain decisions in the district. Through school improvement councils (SIC), comprised of teachers and school administrators at individual schools, teachers are able to exert influence over a number of areas. While this arrangement, often known as shared governance, leads to collaboration, it appears to also cause inefficiencies and confused systems of accountability within the district. It was also reported to us that it creates confusion about which groups should be involved in making certain decisions. The SLCSD board and the teacher’s association should survey other districts, carefully consider best practices, and determine how to improve the written agreement. The district should also ensure shared governance trainings focus on past areas of confusion.

Salt Lake Teacher Agreement Creates Roles for Teachers to Make Administrative Decisions

SLCSD has a written agreement with its teachers’ association. This agreement covers areas such as the process for teacher evaluation and termination, compensation and benefits, and time off policies. In addition to these areas, SLCSD’s agreement creates specific roles for teachers in impacting district operations.

SLCSD’s written agreement is based on the principle of shared governance, which means certain decisions are made collaboratively between different groups in the district. A key piece of shared governance is the creation of SICs at every school, comprised of faculty and administrators, both groups having an equal voice. An SIC is able to make certain decisions for their school and must be consulted for other decisions. Current and former district administrators report that SLCSD’s written agreement is unlike those in other districts. Decisions made through the written agreement, however, must align with SLCSD board policy, giving the SLCSD board significant latitude to override shared governance decisions.

Written Agreement Has Led to Inefficiencies and Confused Accountability

The following examples demonstrate how the written agreement has led to inefficiencies and compromised the district’s ability to hold individuals accountable.

RECOMMENDATION 2.3

The Legislature should consider whether additional options should be placed in statute to allow boards to hold individual board members accountable.
SICs Used to Be Able to Determine Their School Schedule, Regardless of the Cost to the District. School Schedules Are Now Subject to Board Restrictions. This delegated authority reportedly made it difficult to effectively manage bus routes and transportation costs until the SLCSD board overrode SIC decisions and narrowed the school schedule options available.

In the written agreement, it states:

> The regular school day shall be scheduled in each school by the [SIC]...subject to the approval of the superintendent. It shall be so scheduled as to conform with the requirements of the Utah State Board of Education and the policies of the board.

According to current and former district administrators, this authority given to SICs resulted in many different school schedules that the district’s transportation department had to manage. According to the district, the number of schedules created difficulties in effectively managing busing. When the district moved to late start for high schools, the SLCSD board passed a motion modifying school schedule options. Until then, SICs could choose a school schedule, regardless of the impact on district resources. It is important to note, the written agreement language has not changed which means the SLCSD board could vote to allow SICs to once again determine their own school schedules.

SICs Can Determine Professional Development Received and School Strategies Aimed at Improvement, Despite Principals Being Accountable for School Level Performance. This inhibits the ability of principals to act on plans to improve education delivery and student outcomes. Principals have to get approval from teachers to train teachers. The written agreement states:

> Professional Development meetings for the entire faculty held after school hours and at faculty meetings shall be approved by the SIC, and approved by the faculty....

> Meetings to implement the provisions of a school’s improvement plan may occur. The necessity for such meetings shall be determined by the SIC at their monthly meeting.

SLCSD’s framework for evaluating school principals makes it clear that principals are responsible for implementing effective professional development at their schools. Principals provide instructional leadership through coaching and mentoring. Taking away a principal’s ability to decide how to develop the skills and capacity of their faculty hinders the principal’s ability to improve school performance. In addition, this section of the written agreement confuses who is ultimately responsible for teacher growth and school improvement, impacting accountability.

The written agreement and shared governance appear to diminish the power and ability of district and school administrators to manage the district in these areas.
The Board and Teacher’s Association Should Collaboratively Determine How to Improve the Written Agreement and Training

The shared governance structure created in the written agreement requires collaboration between teachers and administration at the district and school level. We believe collaboration between district administrators and teachers to be a sound principle. However, the previously provided examples demonstrate that some delegated responsibilities in the written agreement hinder the district’s ability to operate efficiently and effectively. We believe modifications to the written agreement that clarify responsibilities and place decision making with the most sensible group or individual will benefit the district.

The SLCSD board, in cooperation with the teachers’ association, should survey other districts, carefully consider best practices, and determine how to improve the written agreement. This will help the district address inefficiencies and empower the district to hold employees accountable.

RECOMMENDATION 2.4

The Salt Lake City Board of Education, in cooperation with the teachers’ association, should survey other districts, carefully consider best practices, and determine how to improve the written agreement.

Despite the district holding shared governance training twice a year, misconceptions of the written agreement and shared governance persist. For example, a teachers’ association representative recently spoke at a SLCSD board meeting and expressed concern that teachers were not consulted on the appointment of an interim superintendent. This comment was made despite the SLCSD board having sole responsibility for this action. Current and former district administrators also told us that certain parts of the written agreement are vague, not well understood, or cause confusion. Future shared governance training provided by the district should clearly state responsibilities and decision-making authority given to each group and address any frequently misunderstood areas of the written agreement.

RECOMMENDATION 2.5

The Salt Lake City School District should use semi-annual shared governance trainings to clarify responsibilities for different parties and address areas frequently misunderstood.
CHAPTER 3 Summary
The Salt Lake City School District Can Do More to Target Student Improvement

BACKGROUND
Student performance, as measured by student proficiency and growth, is central to a local education agency’s purpose and helps define success in educating students. One of the ways for the state of Utah to determine student performance with the RISE assessment in grades three through eight and Utah Aspire Plus assessment in grades nine and ten each year. Schools develop goals each year to help improve their students’ performance in school, including proficiency and growth on these assessments. The Legislature requires schools to set goals in Student Success Plans under the Teacher and Student Success Act. Schools are given additional state funding to help achieve these goals in their school with the purpose of improving student performance.

FINDING 3.1
The district should find opportunities to replicate practices of successful schools.

RECOMMENDATION 3.1
The Salt Lake City School District, in an effort to promote student proficiency and growth, should focus on identifying high performing teachers and schools, and replicating their successful practices with other teachers and schools where needed.

FINDING 3.2
The district has not provided adequate oversight over Student Success Plans.

RECOMMENDATION 3.2
The Salt Lake City School District should establish consistent procedures for submission and approval of Student Success Plans to be completed in an efficient timeline.

RECOMMENDATION 3.3
The Salt Lake City School District should establish consistent procedures for holding schools accountable to their school goals according to statutory requirements.

RECOMMENDATION 3.4
The Salt Lake City School District should withhold Teacher and Student Success Act funds from schools until their Student Success Plans have been approved.

FINDING 3.3
Majority of the district’s schools have not recovered to pre-pandemic proficiency levels.

NO RECOMMENDATION

CONCLUSION
The district’s unique governance structure appears to create a barrier to the sharing of best practices. Identifying instructional best practices and implementing them in underperforming schools may have a direct impact on student performance. Additional oversight and monitoring of Student Success Plans has the potential to help schools develop strategies to improve student proficiency and growth. Identifying schools and students that have not returned to pre-pandemic proficiency levels and then aligning resources to help them has the potential to impact groups most heavily affected by remote learning.
Chapter 3
The Salt Lake City School District Can Do More to Target Student Improvement

3.1 The District Should Find Opportunities to Replicate Practices of Successful Schools

Schools that have demonstrated the ability to consistently outperform academic expectations should be looked to for guidance on implementing successful practices across their Local Education Agency (LEA) and the state. Parkview School (Parkview), an elementary school in the Salt Lake City School District (SLCSD, or district), consistently has higher proficiency rates than schools with similar demographics in the district and across the state. Parkview has implemented instructional strategies that have produced positive academic results, but SLCSD’s governance structure makes it difficult to apply these successful practices in struggling schools. We recommend the SLCSD create a process to identify instructional best practices and then implement them districtwide. This, combined with changes to the district’s written agreement with its education association, could help students in the lowest performing schools.

School Districts Should Identify Best Practices and Seek to Implement Them on a Wider Scale

A fundamental purpose of the public education system is to improve student performance.7 As discussed in a past report we have published, this should be an essential metric for the education system. To that end, identifying high performing teachers and schools and replicating that success where possible should be a major focus for district administrators. We believe Utah LEAs have a fundamental role in identifying best practices, then encouraging their adoption on a wider scale.

Statute places a priority on the sharing of best practices in educating students. The Legislature created the office of Utah Leading through Effective, Actionable, and Dynamic Education (ULEAD) in 2018. One purpose of ULEAD is to “report to the Education Interim Committee on innovative and successful K-12 practices.”8 Statute also assigns the ULEAD director the responsibility to help LEAs replicate or adapt best practices into their schools.9 This demonstrates the importance the state has placed on the sharing and implementation of educational best practices. In addition, Florida’s Office of Program Policy Analysis and Government Accountability, which created best practices for their statewide school evaluation program, states that school districts should encourage and facilitate schools sharing effective teaching strategies with each other to meet students’ needs.

---

8 Utah Code 53E-10-702.
9 Utah Code 53E-10-705.
Parkview Outperforms Peer Schools Using Successful Instructional Strategies

Across all three tested subject areas, Parkview’s proficiency outperforms similar schools across the district and the state. Our statistical analysis supports this conclusion and finds Parkview significantly outperforming expectations.

Parkview outpaced their racial minority¹⁰ peers in 2022 proficiency rates. Figure 3.1 shows the proficiency rates for the three subject areas for all schools in the state that have more than 80 percent of their students identified as a racial minority.

Figure 3.1 Parkview Performs Well Compared to Schools with a Similar Racial Minority Population in SLCSD and the Rest of the State. Each bar represents a proficiency rate for a school in Utah where more than 80 percent of the students belong to a racial minority. Parkview has the highest proficiency rates in this group across all three subject areas for the 2022 assessments.

Source: Auditor analysis of Utah State Board of Education data

A similar pattern holds when looking at Parkview and schools with a comparable percentage of students who are economically disadvantaged.¹¹ However, Parkview is one of a handful of schools leading the state among schools with 61-80% of their students identified as economically disadvantaged.

¹⁰ Racial minority means a student identifies as one of the state’s six Race/Ethnicity categories that is not white. These are Asian, African American/Black, American Indian, Hispanic/Latino, Multiple Race, and Pacific Islander. Parkview and its peers in Figure 3.1 have more than 80 percent of their student population who identify as a racial minority.

¹¹ Parkview and its socioeconomic peers have between 61 percent and 80 percent of their student population who are economically disadvantaged.
According to our analysis, Parkview significantly outperformed expectations on their 2022 assessments when controlling for demographics.\(^{12}\) Relative to expected performance, Parkview’s actual English Language Arts (ELA) proficiency was 29 percentage points higher, actual math proficiency was 40 percentage points higher, and actual science proficiency was 23 percentage points higher.

Parkview has not always been a high achieving Title I school—receiving an ‘F’ on its School Grades for state accountability for the 2013 school year. Parkview began to experience significant proficiency improvements in ELA and science in 2016, and math in 2017. This came after a change in administration for the 2015 school year and significant staff changes. These educators worked together and in their grade level professional learning communities (PLC) to build a consistent framework for literacy instruction. As of the 2022 school year, the school has a higher proficiency rate than the state average in ELA and math, and within two percentage points for science. Figure 3.2 displays Parkview’s strong proficiency over time in relation to the other SLCSD elementary schools receiving schoolwide Title I funds for school years 2018 through 2022.

\[\text{Figure 3.2 Parkview Historically Outperforms Other Title I Elementary Schools in the District.}\]

Parkview’s proficiency rate in each subject area exceeds the average proficiency rate of other Title I schools in the district.

\[\text{Source: Auditor analysis of Utah State Board of Education data}\]

\[\text{Note: Elementary schools are generally Kindergarten through sixth grade. SLCSD has five schools that are grades Kindergarten through fifth and one that is Kindergarten through 8th. This data analysis used data up through grade six.}\]

We observed Parkview ELA classes to see their strategies in practice. The teachers displayed consistent patterns of modeling, whole class participation, partner work, and

\[\text{\(^{12}\) The statistical analysis controlled for student demographics and school characteristics to calculate an expected proficiency for each school and subject area in 2022.}\]
an individual assignment (commonly known as “I do – We do – You do”) within a single lesson. Beyond this framework, the school has established specific conversation patterns that they use to help students be successful when working with a classmate and in critical thinking. These phrases give students clear expectations for how to handle discussions so the focus can be on the content rather than what to say. Some examples are:

- My opinion is ______________ because ...
- This is confusing to me because ...
- Can you tell me more about ...

These examples show how Parkview provides consistent instruction and expectations in their classrooms. The exact practices and resources used at this school do not necessarily have to be implemented elsewhere, but the structure and consistency they create should be adapted by struggling schools. Cache County School District (Cache), which maintains strong proficiency rates across the district, attributes its success to consistency in instruction within schools. Research supports the methods used in Parkview and Cache by recommending that LEAs wanting to improve instruction and achievement in schools should focus on student learning, instructional improvement, and systemwide curriculum that connects from one grade to the next. This is consistent with the state’s Effective Teaching Standards which include aligning learning experiences “within and across grade levels.” Schools that have cohesive instruction from one classroom and grade level to the next are able to establish a logical progression of subject matter for curriculum and assessments.

Parkview is one of two Title I elementary schools that received a ‘B’ grade on Utah School Report Card. The other Title I schools ended up with grades ‘C’ or lower. Additionally, Parkview had a higher percentage of students in first through third grade that made typical or better progress from beginning of year to end of year on Acadience reading than the other Title I schools in the district.

Accountability standards for schools also include growth metrics. For some LEAs, growth has been the preferred indicator when analyzing data of minority populations because those student groups are more likely to enter school without the skills needed to achieve proficiency on a state assessment. Parkview, however, has been able to achieve impressive proficiency rates with a population that generally experiences low proficiency rates. In addition, their growth and that of the other Title I schools in the district increased from 2019 to 2022. Figure 3.3 shows Parkview student growth compared to other elementary schools in SLCSD that are receiving schoolwide Title I funds.

---

Figure 3.3 Parkview and Other Title I Elementary Schools in the District Have Improved in Growth from Prior Years. Parkview has maintained or increased their growth compared to 2019 and is nearing the high growth they achieved in 2018. However, other Title I SLCSD elementary have higher growth scores in 2022.*

Source: Auditor analysis of Utah State Board of Education data
* Growth for 2021 is not included on this graph due to USBE receiving a federal waiver from reporting growth that year. Tests were not administered in 2020 due to COVID shutdowns.

Note: According to USBE, “Student growth percentiles (SGP) are measured by using a statistical method called quantile regression that describes the relationship between students’ previous scores and their current year’s scores. SGPs describe a student’s growth compared to other students with similar test score histories (their academic peers). According to USBE, “A median growth percentile (MGP) summarizes student growth percentiles by district, school, grade level, or other grouping of interest. The median is calculated by ordering individual student growth percentiles from lowest to highest, and identifying the middle score, which is the median.

The information in this chapter illustrates that Parkview educational practices should be considered and reviewed by the district to determine if other schools would benefit from similar practices. Parkview has experienced strong proficiency ratings. Growth scores at Parkview sit slightly below other schools, but still show respectable performance.

**Shared Governance and Educators’ Agreement Should Be Reviewed to Ensure Best Practices Can Be Implemented Districtwide**

The district has access to best practices at Parkview but has not replicated that success in other schools. Part of the explanation for the difficulty in implementing new programs and strategies in schools is the district’s shared governance structure, which means decisions are made collaboratively between different groups in the district. As a result,
SLCSD teachers are involved in making certain decisions at the school level. This involvement comes through the written agreement with the district’s educators’ association and the School Improvement Councils (SIC) it creates in each school.

The [SIC] shall establish and implement procedures and programs for the individual school consistent with the policies of the board and approved by the faculty...and approval of the superintendent.

Over the course of the audit, we were told that the written agreement and SICs have hindered the implementation of programs and strategies, the proper use of district curriculum, and effective collaboration through PLCs. Despite the district trying to ensure that one party does not force a decision on another, there exists a perception that the written agreement empowers SICs to influence decisions.

One goal of this audit was to identify best practices. Parkview stood out as exemplifying best practices due to its consistency in instruction across grade levels leading to proficiency rates uncommon for schools with a high population of economically disadvantaged and minority students. It is likely that there are other schools within the district that are demonstrating strong proficiency rates or growth in assessments, and also have best practices that could be utilized in other schools. However, the historical structure of the district and how shared governance is perceived are creating confusion for teachers and school administrators, preventing the incorporation of successful programs and strategies like the ones mentioned in this report. We recommend that the district identify best practices, including those found at Parkview, and seek to implement them in the district’s schools.

RECOMMENDATION 3.1
The Salt Lake City School District, in an effort to promote student proficiency and growth, should focus on identifying high performing teachers and schools, and replicating their successful practices with other teachers and schools where needed.

The district should also implement the recommendation made in Chapter 2 of this report to review the written agreement with the teacher’s association and remove any impediments to implementing best practices.

3.2 The District Has Not Provided Adequate Oversight Over Student Success Plans

SLCSD has not demonstrated sufficient oversight on mandated school Student Success Plans (SSP). Statute requires each school to submit an SSP and have it approved by their school board to be eligible for Teacher and Student Success Act (TSSA) funding. Meeting and district documentation show that plans were approved much later than the recommended deadline, and plans demonstrate changes being made late into the year for various schools in the district. We recommend the Salt Lake City School District establish consistent procedures for submission and approval of SSPs in an efficient timeline, to hold schools accountable for their goals according to Utah Code, and to withhold funds from schools until their plans are approved.
An In-Depth Budget Review of the Salt Lake City School District

Plans Should Improve School and Student Performance

**Utah Code** establishes TSSA funding for LEAs to “improve school performance and student academic achievement.” For a school to receive funding, their plan must be approved and include how money will be spent in relation to goals as well as how the school will determine whether the school is successful.

Enrollment peers Cache County (Cache) and Provo City (Provo) School Districts have structured approval processes for their SSPs. Provo combines all school goals into their School LAND Trust plans. This provides schools with the opportunity to use the same goal for multiple plans if applicable and ensures that all school plans (LAND Trust and SSP) align with each other. Statute requires a school’s LAND Trust plan to incorporate parts of the school’s SSP. By consolidating the creation of these plans, Provo ensures that this piece of legislation is met. This also simplifies the process for Provo administrators who submit both LAND Trust plans and SSPs to their school board at the same time and may help concentrate efforts and strategies.

District administrators in Cache created templates and procedures to guide the creation of SSPs by principals. Administrators also outlined the process for board review and approval. Schools create their plans, and key components are entered into a cloud-based document that can hold information for each of the district’s schools in one location. Cache administration provides a document to their board for approval that explains the purpose of SSPs and the items board members should prioritize in their review. Once approved by the board, any changes to SSPs must be accepted by the school’s assigned assistant superintendent. These examples from SLCSD’s peers demonstrate efforts to comply with statutory requirements.

SLCSD Does Not Appear to Meet Student Success Plan Requirements

The district does not appear to have met requirements and expectations established in statute for SSPs. The district has implemented templates for SSP creation and provided the Salt Lake City Board of Education (SLCSD board) with notification for plan approval. However, delayed timelines, difficulty in connecting LAND Trust plans to SSPs, and inconsistent oversight of the plans and performance demonstrate a need to improve the district’s SSPs and SSP oversight.

SLCSD schools have submitted SSPs for the upcoming school year to their board well after June 30, the date recommended in statute. Interviews with district personnel indicate that many schools in the district do not begin preparing their SSPs until they return to school around the end of August or beginning of September. These individuals cited the district requirement for SICs and School Community Councils to approve these plans as a reason for the delay. However, Provo also requires the approval by each

---

14 **Utah Code** 53G-7-1302.
15 **Utah Code** 53G-7-1305(4).
school’s staff representatives. Provo’s SSPs are tied to their LAND Trust goals and are still completed prior to the start of the new school year, despite the need for staff approval. Law requires LAND Trust plans to tie to one of the goals from the school’s SSP. With the initial LAND Trust money going out in July, it is difficult for schools to use a goal from the upcoming year’s SSP to create their LAND Trust plan if they have not begun their SSP at the time of the funding distribution.

School boards are required to review and approve each school’s SSP annually. We reviewed all of the district’s initial SSPs for the 2022 school year. Our review found that there are errors in some of these plans that we would expect to be fixed through the review process. Examples include goals that are written as “y%” rather than providing an actual value they want to reach. Another goal states they will utilize an existing tool, but could benefit from additional details. Our review looked at SSPs at a specific point in time; however, any changes to an SSP plan overwrites the old version, making it difficult to track changes over time. District administration states that the earlier school plans were locked following submission, but that has not been the practice for plans in recent years. A return to this practice is advisable. While we have not witnessed schools adjusting goals downwards at the end of the year to meet expectations, the risk of this happening exists due to the ability to modify plans.

Currently, the district provides TSSA funds to individual schools prior to SSP approval. The district makes these funds available to each school on July 1 of each year, regardless of whether a school’s SSP has been created or approved. This means that a school has access to money solely intended for SSP implementation before the school’s SSP has been formally approved. With schools not working on their plans until the start of the school year and having access to funds two months prior to that time, schools could be spending money on costs unrelated to their future SSP goals. SLCSD should withhold TSSA funds from schools until SSPs have been approved. In addition, this school year, statute requires school boards to hold schools accountable according to the state’s accountability system. This includes stepping in to manage a school’s TSSA funds and provide support for their SSP while a school is performing below acceptable statewide accountability standards. Not approving plans prior to the start of the 2023 school year will make it difficult to hold schools accountable for expected growth for the full academic year. SLCSD should adopt policies and procedures to ensure they provide adequate accountability in the future.

16 Statewide accountability standards for schools are meant to show important indicators for overall school performance. For K-8 schools, these include proficiency, growth, growth of the lowest quartile, and English Learner progress. For high schools, these include proficiency, growth, growth of the lowest quartile, English Learner Progress, and Postsecondary Readiness (11th Grade ACT, graduation rate, and percent of students passing advanced coursework).
SSP Deficiencies Could Impact the Ability of Schools to Improve Academic Proficiency

There are many schools in SLCSD that have less than a quarter of their students reaching academic proficiency in a given year. The purpose of SSPs is to improve school and student performance. District schools can improve their use of SSPs by ensuring they are in place prior to the start of the school year and ensuring accountability of stated goals.

SSPs approved or updated too late may diminish their ability to help schools target student improvement. Final plans for the 2022 school year were discussed by the SLCSD board in March 2022, less than three months before the school year ended. It is difficult for schools to improve on past goals, or to create effective new goals, if they are operating so far behind. As stated previously, schools had access to SSP funding on July 1, 2021, but did not receive board approval for the SPPs until March 2022. Schools could be spending money on programs and accomplishing goals that do not ultimately get approved by the SLCSD board. SLCSD should require all of their schools to submit SSPs prior to June 30 each year and approve them before funding is provided.

RECOMMENDATION 3.3

The Salt Lake City School District should establish consistent procedures for holding schools accountable to their school goals according to statutory requirements.

3.3 A Majority of SLCSD’s Schools Have Not Recovered to Pre-Pandemic Proficiency Levels

Like schools in their peer districts, most schools in SLCSD have not returned to 2019 performance levels after significant declines in 2021. However, unlike other schools throughout the state, SLCSD performance saw a more dramatic decrease. This may be related to SLCSD using remote learning longer than other districts well into the 2021 school year. The district did have significant growth in 2022, but many schools still have proficiency rates below their 2019 levels. SLCSD should study new ways to target student improvement needs districtwide, especially at schools that have not recovered to pre-pandemic levels.

Following the closure of schools in March 2020 and the suspension of state testing for the remainder of the school year, statewide proficiency decreased when assessments returned in 2021. SLCSD’s peer districts, Cache, Provo, and Tooele County School
District, also experienced declines in student performance from 2019 to 2021. SLCSD experienced a greater decline in 2021 math and science proficiency rates compared to their peers and had a similar decline as their peers in English Language Arts. Figure 3.4 shows the percentage change in proficiency rates from 2019 to 2021 for SLCSD and its peer districts.

**Figure 3.4 The Percent Change from 2019 to 2021 on RISE and Utah Aspire Plus Assessments for SLCSD and Enrollment Peer Districts.** SLCSD proficiency declined more in 2021, as a percentage, than its three peer districts in each subject area.

The decline in SLCSD’s performance occurred following suspended testing in 2020 and a mixture of remote and in-person learning in 2021. However, 2022 test results show that the district has recovered just as well or better than their peers on assessments. Figure 3.5 shows the percent of SLCSD’s and their peer districts’ schools that have returned to 2019 proficiency rates or higher for ELA, math, and science.
The district has made significant improvements relative to 2021 testing. However, many schools, particularly ones designated as Title I, are still below their 2019 proficiency levels. Generally, achievement levels of minority populations and schools with high levels of poverty appear to have suffered more through remote learning. With the majority of schools below their pre-pandemic proficiency rates, the district needs to identify effective resources and implement them in those schools as quickly as possible.
schools below their pre-pandemic proficiency rates, the district needs to identify effective resources and implement them in those schools as quickly as possible.
BACKGROUND

Unlike the state as a whole, Salt Lake City School District (SLCSD) is experiencing consistent declines in student enrollment. Its total enrollment fell by 17 percent (four thousand students) between Fall 2013 and Fall 2022. Declining student enrollment impacts school district finances since state funding is tied to the number of students. Local school boards make decisions on building, rebuilding, or closing schools in their districts.

FINDING 4.1
Board decisions and inaction in response to demographic changes increases district costs and property taxes.

RECOMMENDATION 4.1
The Salt Lake City Board of Education should evaluate possible elementary schools for permanent closure.

FINDING 4.2
Board policy and superintendent turnover contributed to the lack of board action on school closures.

RECOMMENDATION 4.2
The Salt Lake City School District should create a formal process outlined in district procedures that annually considers the need for boundary changes or school closures. This process should not depend on the leadership of the superintendent.

RECOMMENDATION 4.3
The Salt Lake City Board of Education should continue to ensure that the Salt Lake City School District undertakes an annual review of district enrollment and the configuration of district schools.

CONCLUSION

Operating schools inefficiently costs the Salt Lake City School District almost $3.6 million annually in administrative, utility, and food services costs. Two increases in property taxes possibly would have been unnecessary had the district adjusted its number of elementary schools in a timely manner and chosen not to rebuild elementary schools. The district may also experience added educational benefits as a result of school consolidation such as teacher collaboration and availability of programs.
4.1 Board Decisions and Inaction in Response to Demographic Changes Increased District Costs and Property Taxes

Despite losing almost four thousand students since school year 2013, the Salt Lake City School District (SLCSD, or district) and the Salt Lake City School District Board of Education (SLCSD board) have not adjusted the number of schools in operation. During this decade of declining enrollment, the district rebuilt three elementary schools and delayed decisions on school closures. The SLCSD board increased property taxes twice during this timeframe and continued operating more schools than necessary which has led to operational inefficiencies.

District Enrollment Has Been Declining for More Than a Decade

SLCSD is facing different demographic changes than the rest of the state. With the exception of school year 2021 (during the COVID-19 pandemic), Utah has experienced positive growth in student enrollment every year for the last decade. SLCSD’s student enrollment has experienced positive growth in only one year during this time period and has been declining for eight straight years.

The district’s loss in enrollment has almost exclusively impacted elementary schools. Figure 4.1 shows October 1st enrollment in district elementary schools compared to secondary schools from school year 2013 to 2022 by school year.\(^{17}\)

\(^{17}\) We use school year 2022 to describe the school year that runs from fall 2021 to spring 2022.
Furthermore, SLCSD’s decline in enrollment was felt at every elementary school in the district. Figure 4.2 shows the building utilization at each of the district’s elementary schools for school year 2013 and school year 2022. Each pair of bars represents one school.

**Figure 4.2 SLCSD Elementary Schools Are Increasingly Operating at Low Capacity.**
Each pair of bars represents building utilization in one elementary school for school years 2013 (gray bars) and 2022 (blue bars). Every elementary school’s utilization decreased between these years.

*Source: Auditor analysis of Utah State Board of Education data*
This figure indicates that certain schools already had low enrollment in 2013 and that those schools continued to lose students. A demographic study commissioned by SLCSD in 2017 stated that the district is losing elementary students due to (1) the cost of housing, (2) new building developments that do not attract families with young children, (3) elementary students leaving for charter schools or other school districts, and (4) declining birth rates. Secondary students enrolled from outside the district increased from 2015 to 2018 and helped prevent a greater decline in secondary enrollment. According to a recent demographic study commissioned by the district, secondary enrollment is expected to start declining over the next ten years while elementary enrollment is expected to continue to decline.

**The Board of Education Rebuilt Schools and Kept Schools Open During Periods of Enrollment Decline**

The SLCSD board had access to enrollment projections and was aware of enrollment trends in the district through reports presented to the SLCSD board annually. Despite data showing declines in enrollment and a prediction of further declines, the SLCSD board rebuilt three elementary schools with a total capacity of 1,800 students. While the decision to rebuild was likely based on many factors, including the age and condition of the schools, we question the decision to do this during a time when enrollment was falling and existing elementary school utilization was only 80 percent. SLCSD board skepticism of declining enrollment may have contributed to these decisions. In addition, the board did not act on a district recommendation in 2019 to close a school. At the district’s recommendation, the SLCSD board did not take action on examining schools for possible closure, pushing a possible decision out to February 2023 instead of February 2022.

SLCSD elementary enrollment began declining after school year 2014 (see Figure 4.1). Figure 4.3 summarizes SLCSD board decisions and relevant presentations to the SLCSD board from 2016 to 2022, as well as the utilization percentage of elementary school buildings.
Figure 4.3 Timeline of the SLCSD Board’s Approvals for Construction of Three Elementary Schools and Its Decisions Not to Close Any Schools. Dark blue boxes summarize SLCSD board approvals and light blue boxes indicate presentations made to the SLCSD board. District-wide elementary school utilization is presented for each date.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2, 2016</td>
<td>Board approved Liberty Elementary construction bid (80% utilization)</td>
</tr>
<tr>
<td>August 1, 2017</td>
<td>Board approved property tax increase of $7.5 million to meet capital needs, including the rebuild of Meadowlark and Edison (77% utilization)</td>
</tr>
<tr>
<td>December 5, 2017</td>
<td>Board approved Meadowlark Elementary construction bid (74% utilization)</td>
</tr>
<tr>
<td>February 19, 2019</td>
<td>Superintendent recommended Bennion Elementary for closure (72% utilization)</td>
</tr>
<tr>
<td>March 6, 2018</td>
<td>Board approved Edison Elementary construction bid (74% utilization)</td>
</tr>
<tr>
<td>January 30, 2018</td>
<td>Davis Demographics presented projections of sustained declining enrollment to the board (74% utilization)</td>
</tr>
<tr>
<td>March 1, 2022</td>
<td>Superintendent asks board to put on hold the school closure process until February 2023 when a new board is seated (57% utilization)</td>
</tr>
<tr>
<td>May 7, 2019</td>
<td>Superintendent recommended delaying school closure based on board and community feedback (72% utilization)</td>
</tr>
<tr>
<td>August 2, 2022</td>
<td>Board approved a property tax increase of $1.5 million a year (57% utilization)</td>
</tr>
</tbody>
</table>

Source: Salt Lake City Board of Education meeting minutes and data, Utah State Board of Education data

During this time frame, the SLCSD board had access to demographic projections created by the district. They also had demographic studies conducted by private companies starting in early 2018. Despite the availability of this data, the SLCSD board chose to rebuild schools and did not pursue school closures. The financial consequences of these decisions are discussed later in this chapter.

Other Districts with Declining Enrollment Have Closed Schools Primarily for Educational Reasons

SLCSD is less reliant on state funding than other districts are. Other districts, such as Ogden School District and Granite School District, rely more heavily on state funding and have closed schools recently due to enrollment decline. However, Ogden and Granite both noted that the primary factor considered when closing schools is improving the quality of education.

Property tax revenues have enabled SLCSD to operate its elementary schools inefficiently. Figure 4.4 shows the proportion of revenue that comes from property taxes and state funding for SLCSD and its peer districts with similar enrollment or declining enrollment.

---

18 State funding is heavily tied to enrollment. Declining enrollment leads to less state funding.
Figure 4.4 SLCSD Is Less Reliant on State Funding Than Other Districts. Fiscal year 2021 data shows that property tax revenues are a higher percentage of total revenues in SLCSD compared with the proportion among peer districts. State funding, all things equal, will decrease with a decline in enrollment over time.

Ogden closed three schools and reopened two since 2019 while Granite closed three schools since 2019. SLCSD, with its larger share of property tax revenues, has been able to rebuild and keep open an inefficient number of schools. Ogden and Granite School Districts reported consolidating schools to help improve the inferior learning environment found in small schools. They cited financial considerations as secondary to these issues.

Keeping Excess Schools Open Costs Taxpayers and Impacts Staffing and School Operation

The decision to rebuild three elementary schools and keep schools open has financial consequences to the district and taxpayers. The decision also impacts district staffing and the teaching and learning environment within schools.

Two Property Tax Increases Enabled the SLCSD Board to Maintain an Inefficient Number of Schools. The costs to keep schools open include the cost to rebuild schools and the cost to maintain and staff schools.

The SLCSD board approved construction bids for the rebuilding of three elementary schools between 2016 and 2018 with a total capacity of 1,800 students. The total cost for these buildings was almost $68 million and was partially paid for by a property tax increase in August 2017 of $7.5 million a year.¹⁹ The district’s building utilization was

¹⁹ This property tax continues to the present and has helped replenish district reserves used to fund building construction.
already in decline as decisions were made. Given declining enrollment and the fact that two of these schools may have been seismically unsafe, these schools appear to have been good candidates for closure rather than rebuild.

Costs to keep a school open include those associated with school administration, utilities and maintenance, and child nutrition programs. These costs ranged from $553 thousand to $835 thousand in fiscal year 2021 at SLCSD elementary schools. In school year 2022, SLCSD used 57 percent of the available space in their elementary schools. Given current enrollment numbers, the district would need to close at least six elementary schools to get to 75 percent utilization. This estimate does not account for projected enrollment declines in the future. The cost of keeping the six lowest cost elementary schools open for another year is at least $3.58 million—the minimum cost the district will incur by delaying the process for examining schools for possible closure until February 2023 (see Figure 4.3). SLCSD will likely incur additional costs from capital improvement projects to keep schools open.

Closing schools may have made a recently approved increase in property taxes of $1.5 million a year unnecessary. The district also could have avoided some of these costs by following through on the process to close Bennion Elementary in 2019. At the time, Bennion had 213 students (36 percent capacity) and since that time has fallen to 151 students (25 percent capacity). Keeping low-enrollment schools open likely contributes to SLCSD having one of the highest school administration costs per student in the state since these costs are being allocated to fewer students at each school. Closing schools would have the added benefit of reducing maintenance and utility costs (see Chapter 1 of this report).

Rightsizing the Number of Schools Would Have Additional, Nonmonetary Benefits. Along with the previously explained financial benefits, the district could
address staffing and school operation difficulties by closing some schools. Having fewer schools may also allow more programs to operate at the remaining schools.

Like other school districts along the Wasatch Front, SLCSD struggles to fill positions for their child nutrition program. Every elementary school in SLCSD, regardless of the number of students, is staffed with at least two individuals to cook and serve meals. Closing schools would likely reduce the number of child nutrition staff needed and free up funding to potentially increase wages for the remaining positions. This would address some of the concerns raised in Chapter 1 of this report.

Increasing the number of students in a given elementary school has potential benefits to both teachers and students. Small schools may have as few as one teacher per grade whereas larger schools may have four or more teachers per grade. Having more teachers can provide more opportunities for collaboration, potentially reducing teacher workloads and increasing opportunities for sharing best practices. Larger schools have greater flexibility to move a student into another classroom if there are discipline or other issues. Larger schools also may have a greater capacity to support programs like foreign language dual immersion. A SLCSD principal told us that dual immersion in particular benefits from being in a larger school. Dual-immersion classes are currently offered at only three of the district’s twenty-seven elementary schools.

Consolidating schools can be a painful process for elected board members and for communities. Doing so may increase transportation costs, though the magnitude of this change is difficult for us to determine. Average class size district-wide should not be impacted because the number of teacher positions is determined by a district formula. 23 However, the costs associated with keeping low-enrollment schools open are significant.

4.2 Board Policy and Superintendent Turnover Likely Contributed to the Lack of Board Action on School Closures

The decision of whether to close a school is made by an elected school board. School district staff can make recommendations and present data to the board to inform the decision. The SLCSD board decided to rebuild three elementary schools and keep all others open for reasons besides changes in enrollment. Superintendent turnover in recent years combined with SLCSD board policies and procedures that previously did not

23 At the school level, it is difficult to determine if class sizes would be affected by school closures. Low enrollment at a school could result in either large or small class sizes depending on how many classes are taught at the school and the exact number of students. For example, if an elementary school has thirty fourth-grade students, teachers at the school may choose to have one class of thirty students or two classes of fifteen students. That decision is made at the school level.
consider school closures, may have contributed to keeping all of SLCSD’s elementary schools open.

SLCSD board members had access to current enrollment and projected enrollment data at the time they decided to rebuild schools between 2016 and 2018. This data projected continued enrollment declines into the future. The SLCSD board made decisions that were inconsistent with this data. In addition, the SLCSD board did not have policies and procedures at the time that contemplated school closures. We believe the decision to build a school that 1) costs more than $20 million, 2) costs more than $500 thousand annually to operate, and 3) could last more than fifty years should be based on the best information available, including future enrollment trends. We also believe such decisions should be made after a thorough inventory of existing buildings and enrollment. To evaluate future building construction and school closures, SLCSD should follow existing policy that requires a thorough analysis of district needs and should focus on enrollment and enrollment projections. This is especially important because SLCSD has begun planning for the rebuilds of Highland High School and West High School. The planned capacity for these rebuilt schools exceeds current capacity despite projected declines in high school enrollment. Based on demographic projections, enrollment at the district’s high schools is projected to decline by 12 percent or over 800 students over the next 10 years.

SLCSD experienced continued superintendent turnover after the district recommended Bennion Elementary School for closure in 2019. By the time the district appoints a new superintendent in late 2022 or early 2023, the district will have had five superintendents in less than three years. This includes two interim superintendents. There appears to be more turnover in the superintendent position than almost any other district in the state during this time period. The district’s current policy makes it clear that the process to close a school begins with the superintendent making recommendations to the SLCSD board and that the district should annually assess district building needs. Changing district leadership may have made it difficult for the district to do this consistently. Granite School District, which also has declining enrollment, has a regular process in place that does not directly depend on the leadership of the superintendent. Granite has a standing Population Analysis Committee that annually gathers data and stakeholder feedback to form a list of schools to study further for boundary changes or closure. As noted in Figure 4.3, in March 2022, the SLCSD superintendent announced that any recommendation for school closure would be delayed a year until a new school board was in place, and the SLCSD board did not pursue the issue further.

The district reports it is in the process of evaluating school building needs in order to make recommendations to the SLCSD board next year. This formal process to determine recommendations to the SLCSD board, however, is not currently outlined in district policies and procedures. Current district policy focuses on actions to be taken once recommendations are made to the SLCSD board and factors to consider when creating recommendations, not the specific steps taken to develop those recommendations. We believe it is important that steps that must be taken annually per district policy and that

\[24\] This includes two interim superintendents.
involve a sensitive issue, such as school closure, should be guided by standard procedures, such as those found in Granite School District. Rather than relying solely on the superintendent, SLCSD should establish a committee or similar group to annually, and transparently, review district enrollment and building needs and present findings to the SLCSD board.

**RECOMMENDATION 4.2**

The Salt Lake City School District should create a formal process outlined in district procedures that annually considers the need for boundary changes or school closures. This process should not depend on the leadership of the superintendent.

This discussion should be driven by enrollment data and include overall capacity targets for the district. The SLCSD board should continue to hold the district accountable for annually reviewing enrollment and, if necessary, making recommendations for boundary adjustments and school closure.

**RECOMMENDATION 4.3**

The Salt Lake City Board of Education should continue to ensure the Salt Lake City School District undertakes an annual review of district enrollment and the configuration of district schools.

This will help the SLCSD board make informed decisions as the district’s enrollment changes over time.
CHAPTER 5 Summary
Structure of Public Education Funding Allows Districts Participating in Tax Increment Financing Agreements to Receive Additional State Funding

BACKGROUND
School districts can participate in tax increment financing (TIF) agreements with redevelopment agencies to help encourage job growth, address blight, or otherwise improve areas within their boundaries. Because TIFs affect property taxes collected by school districts and certain state funding is tied to property taxes collected, TIFs can impact how much state funding a school district receives or sends to the state. Some school district TIF agreements contain payments from redevelopment agencies called mitigation funds that school districts can use at their discretion.

FINDING 5.1
Statute allows Salt Lake City and other school districts to receive an extra $4 million in state funding.

RECOMMENDATION 5.1
The Legislature should consider modifying statute for new tax increment financing agreements or future renewals of current tax increment financing agreements so that:

a) Mitigation funds received are taken into account when calculating guaranteed public education funding from the state, or
b) School districts can no longer receive mitigation funds.

CONCLUSION
School districts and the state partner to fund public education. Funding can be impacted as school districts give up property taxes for TIF projects and, at times, receive mitigation funds. SLCSD and other districts have received mitigation funds from TIFs that have resulted in almost $4.4 million in additional state spending. The decision to receive mitigation funds instead of incremental taxes is at the discretion of school districts and redevelopment agencies. However, we are not aware of any school districts that have intentionally manipulated TIFs to increase state funding, but the opportunity remains. We believe changes to statute could help align school district incentives with that of the state and ensure public education funding is equitable.
Chapter 5
Structure of Public Education Funding Allows Districts Participating in Tax Increment Financing Agreements to Receive Additional State Funding

5.1 Statute Allows Salt Lake City and Other School Districts to Receive an Extra $4 Million in State Funding

With tax increment financing (TIF) agreements, redevelopment agencies collect some or all of the property taxes derived from increased property values in the TIF project area. These taxes are known as incremental taxes. Taxing entities participating in the TIF, such as school districts, cities, and counties, collect property taxes on the predevelopment value of the properties in the TIF area, before the project starts. They can also receive some of the incremental taxes, depending on the agreement with the redevelopment agency. TIFs typically last for a defined period of time, and taxing entities receive property taxes on the total value of the properties once a TIF ends. The structure of TIFs is summarized in Figure 5.1.

Figure 5.1 Basic TIF Model. Property taxes prior to development flow to the various taxing entities. As development occurs and the assessed value of the property increases, the incremental taxes (represented by the dark blue triangle) are collected by the redevelopment agency.

Source: Auditor generated

25 The technical term for these incremental taxes is “tax increments.” However, we will use the term “incremental taxes” for this chapter.
Some entities may agree to forgo all incremental taxes and some may agree to receive a portion. In addition, school districts can negotiate to receive separate payments from redevelopment agencies, which are also known as mitigation funds. Statute allows redevelopment agencies to make these payments to school districts to compensate them for participating in TIFs. Mitigation funds impact how much state funding the school district receives. This is discussed in the next section.

Structure of School District Agreements Allows Districts to Claim Disproportionate State Funding

Unintended outcomes can occur with public education funding when a school district participates in a TIF. A district receiving mitigation funds in lieu of or in addition to a portion of incremental taxes enables the district to receive more state funding than if they had received more incremental taxes and no mitigation funds. If a school district receives incremental taxes, it counts towards state funding guarantees. If a school district receives mitigation funds, these funds do not count towards state funding guarantees which enables the school district to receive additional state funding.

School districts are required to collect a property tax known as the basic rate in order to receive state funding. The state guarantees the district will receive a specified amount of money from the basic rate. This guaranteed amount is tied to the district’s number of weighted pupil units (WPU) or full-time student equivalents, and the cost of the WPU. The cost of the WPU is set by the Legislature and is $3,908 for fiscal year 2023. The state guarantees that each school district will receive $3,908 for each WPU in the district from basic rate tax revenues.

All school districts charge the same basic rate but receive different revenues because each school district has a different property tax base. Park City School District is the only district that has basic rate tax revenues that exceed the guaranteed amount. In these cases, any amount collected beyond the guaranteed amount has to be remitted to the state and deposited in the state’s education fund. For all other districts that do not have large enough tax bases to generate the guaranteed amount, the state pays the difference between the amount generated by the basic rate and the guaranteed amount.

When a district chooses to forego property tax revenues as part of a TIF, they are giving up incremental property tax

---

26 Utah Code 17C-1-410(2).
27 The basic rate is calculated to yield a certain dollar amount statewide set by the Legislature. The basic rate is currently 0.16 percent.
28 A district’s WPU count is determined by number of students and student characteristics. For example, a student that is economically disadvantaged but does not have special education needs would count as 1.075 WPUs. For fiscal year 2023, the state has 913,750 WPUs and 678,927 estimated students.
29 The guaranteed amount is equal to the school district’s number of WPUs times the cost of the WPU.
revenues.\textsuperscript{30} Because the district is collecting fewer property taxes from the basic rate, the district will receive additional state funding to get to the guaranteed amount.

As part of a TIF, districts negotiate how much of the incremental taxes they give up. In addition, school districts can negotiate to receive mitigation funds that are not classified as property taxes but payments that districts can use at their discretion. Figure 5.2 demonstrates what this choice looks like for SLCSD. The left side of the figure shows the total revenues SLCSD receives if they opted to receive $1 million in incremental taxes. The right side of the figure shows the total revenues SLCSD receives if they opted to receive $1 million in mitigation funds and the resulting WPU guarantee paid by the state.

\textbf{Figure 5.2 By Forgoing Incremental Taxes, SLCSD Receives Additional State Funding.} This example shows differences in funding with a TIF if SLCSD received incremental taxes compared to receiving mitigation funds. The collection of the basic rate on the left reduces the amount of the WPU guarantee paid by the state. Negotiations between school districts and redevelopment agencies determine whether school districts receive incremental taxes or mitigation funds.

The exact amounts in this figure represent current SLCSD tax rates. The impact of mitigation funds on total funding would vary in other school districts depending on their local tax rates.

Our concern is that districts have the ability to give up all incremental taxes in exchange for mitigation funds as part of TIF agreements. This places additional burdens on the state to fund public education and increases state funding obligations. In the next section, we present data on school districts that receive mitigation funds and the resulting increase in state funding.

\textsuperscript{30} School districts typically collect several types of property taxes. The basic rate is discussed in detail in this chapter. The other types of taxes can include voted and board local levies and a capital local levy.
**SLCSD and Other Districts Receive Mitigation Funds as Part of TIFs**

SLCSD and other school districts have received mitigation funds on certain TIFs. Of those districts surveyed, SLCSD received more mitigation funds than all other districts in our survey combined.

Figure 5.3 summarizes data provided by SLCSD and other districts regarding mitigation funds received from their TIF agreements for fiscal year 2021. The additional WPU funding is calculated by multiplying the portion of a district’s total tax rate that is the basic rate and mitigation funds received. This calculation shows the additional spending by the state because these districts received mitigation funds instead of incremental taxes.

**Figure 5.3 The State Spent $4.4 Million More on Public Education Due to TIFs in Fiscal Year 2021.** If districts received incremental taxes instead of mitigation funds, the state would have saved almost $4.4 million.

<table>
<thead>
<tr>
<th>School District</th>
<th>Basic Rate As a % of Total Rate</th>
<th>Mitigation Funds Received</th>
<th>Additional WPU Funding Paid by State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Lake City</td>
<td>35%</td>
<td>$8,160,609</td>
<td>$2,856,213</td>
</tr>
<tr>
<td>Jordan</td>
<td>28</td>
<td>1,517,858</td>
<td>425,000</td>
</tr>
<tr>
<td>Alpine</td>
<td>24</td>
<td>1,273,421</td>
<td>305,621</td>
</tr>
<tr>
<td>Granite</td>
<td>24</td>
<td>1,196,462</td>
<td>287,150</td>
</tr>
<tr>
<td>Canyons</td>
<td>25</td>
<td>360,776</td>
<td>90,194</td>
</tr>
<tr>
<td>Ogden City</td>
<td>22</td>
<td>300,000</td>
<td>66,000</td>
</tr>
<tr>
<td>Davis</td>
<td>22</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Park City</td>
<td>40</td>
<td>830,623</td>
<td>($332,249)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$13,639,749</strong></td>
<td><strong>$4,362,429</strong></td>
</tr>
</tbody>
</table>

Source: Utah State Board of Education data, individual school districts
* Park City collects more property taxes than the WPU guaranteed amount due to its high tax base. As a result, Park City has to remit the excess tax revenue to the state. The state received $332,249 less from Park City than it would have if Park City had not received mitigation funds.

Based on data from the Utah State Board of Education, this likely represents a significant portion of all mitigation funds received in the state. According to the district, the age of SLCSD’s TIF projects, the size of the projects, and increased property values likely influence the amount of mitigation funds received by SLCSD.

Figure 5.3 shows that had these school districts chosen to receive incremental taxes instead of mitigation funds, the state would have saved about $4.4 million. Instead, the state paid out an extra $4 million to these school districts. Park City School District also had to send the state $332,429 less in excess basic rate revenues as a result of receiving mitigation funds instead of incremental taxes. Had Park City received incremental taxes, the basic rate portion would be $332,429, which would have gone to the state because the district’s basic rate revenues already exceed the guaranteed amount. These funds become unrestricted revenue sources to the school districts that can be used for any program within the district.
TIFs Could Be Restructured Going Forward to Promote Fairer State Education Funding

As previously demonstrated, TIFs and the specifics of TIF agreements can impact how much the state funds public education. The guaranteed amount for WPUs provides an incentive for school districts to negotiate for more mitigation funds and fewer incremental taxes. This maximizes the school district’s revenues and shifts additional funding responsibility on the state. We are not aware of any school districts that have intentionally manipulated TIFs to increase state funding, but the opportunity remains.

There are several possible policy solutions that may help align the incentives of school districts and the state in terms of education funding. Statute could specify that mitigation funds be taken into account when calculating guaranteed funding from the state or that school districts can no longer receive mitigation funds.

RECOMMENDATION 5.1

The Legislature should consider modifying statute for new tax increment financing agreements or future renewals of current tax increment financing agreements so that:

a) Mitigation funds received are taken into account when calculating guaranteed public education funding from the state, or

b) School districts can no longer receive mitigation funds.

School districts would need to self-report receipt of mitigation funds to the Utah State Board of Education for the first option because this information is otherwise not available. The second option would require school districts to receive incremental taxes instead of mitigation funds, which would increase the district’s basic rate revenues and decrease funding from the state. Recent changes to statute allow districts to independently choose how much of the incremental taxes they give away. The amount used to be chosen by a committee made up of all taxing entities for certain types of TIF projects. As a result, mitigation funds may no longer be necessary.

It is important to note that TIF agreements can last decades. For example, at least one of SLCSD’s TIFs began in the 1980s. Changes to statute could fundamentally change the environment in which these long-term agreements are made. Because of this, changes would likely need to apply to new TIFs or any renewals of existing TIFs. This would prevent future school districts from entering into TIF agreements that further shift the burden of funding public education to the state but may not address those agreements already in place. We believe this would lead to a fairer distribution of state funding and more closely align school district incentives with the state.
Complete List of Audit Recommendations
Complete List of Audit Recommendations

This report made the following 17 recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

**Recommendation 1.1**
We recommend the Salt Lake City School District plan future expenditures with demographic changes in mind.

**Recommendation 1.2**
We recommend that the Salt Lake City School District ensure it is using an efficient number of administrative staff to meet child nutrition program needs.

**Recommendation 1.3**
We recommend that the Salt Lake City School District develop a structured preventative maintenance plan and carefully consider the recommendations made in Chapter 4 of this report.

**Recommendation 1.4**
We recommend the Salt Lake City School District implement a more robust internal audit function that includes a risk assessment of district programs and reports findings directly to the Board Finance Committee.

**Recommendation 2.1**
We recommend that the Salt Lake City Board of Education and its members review and follow the board’s policies and handbook that make it clear that board members should not be involved in day-to-day administration of the district.

**Recommendation 2.2**
We recommend that the Salt Lake City Board of Education continue to self-assess their compliance with policies, statute, and rule and their progress towards board goals at least every other year.

**Recommendation 2.3**
We recommend the Legislature consider whether additional options should be placed in statute to allow school boards to hold individual board members accountable.

**Recommendation 2.4**
We recommend that the Salt Lake City Board of Education, in cooperation with the teachers’ association, survey other districts, carefully consider best practices, and determine how to improve the written agreement.

**Recommendation 2.5**
We recommend that the Salt Lake City School District use semi-annual shared governance trainings to clarify responsibilities for different parties and address areas frequently misunderstood.
Recommendation 3.1
We recommend that the Salt Lake City School District, in an effort to promote student proficiency and growth, focus on identifying high performing teachers and schools, and replicating their successful practices with other teachers and schools where needed.

Recommendation 3.2
We recommend that the Salt Lake City School District establish consistent procedures for submission and approval of Student Success Plans to be completed in an efficient timeline.

Recommendation 3.3
We recommend the Salt Lake City School District establish consistent procedures for holding schools accountable to their school goals according to statutory requirements.

Recommendation 3.4
We recommend that the Salt Lake City School District withhold Teacher and Student Success Act funds from schools until their Student Success Plans have been approved.

Recommendation 4.1
We recommend that the Salt Lake City Board of Education evaluate possible elementary schools for permanent closure.

Recommendation 4.2
We recommend that the Salt Lake City School District create a formal process outlined in district procedures that annually considers the need for boundary changes or school closures. This process should not depend on the leadership of the superintendent.

Recommendation 4.3
We recommend that the Salt Lake City Board of Education continue to ensure that the Salt Lake City School District undertakes an annual review of district enrollment and the configuration of district schools.

Recommendation 5.1
We recommend that the Legislature consider modifying statute for new tax increment financing agreements or future renewals of current tax increment financing agreements so that:

a) Mitigation funds received are taken into account when calculating guaranteed public education funding from the state, or

b) School districts can no longer receive mitigation funds.
December 2, 2022

Kade Minchey, CIA, CFE
Auditor General
Office of the Legislative Auditor General
W315 House Building, State Capitol Complex
Salt Lake City, UT 84114

Re: An In-Depth Budget Review of the Salt Lake City School District, Report #2022-16

Dear Mr. Minchey:

Thank you for the opportunity to provide a written response to Report #2022-16, An In-Depth Budget Review of the Salt Lake City School District ("Report"). Salt Lake City School District ("SLCSD" or "District") appreciates the time and effort that your office put into understanding the nuances and complexities of the District and the needs of its diverse student population. The District also recognizes and values how collaborative your office was in addressing many of our concerns with the initial drafts of the Report and in maintaining open communication throughout this process.

As an urban school district with unique challenges, SLCSD remains dedicated to providing a high-quality education to all its students while ensuring the effective and efficient use of its public funds. The District agrees with the importance that the Report places on implementing best practices in order to achieve the goals and objectives of the District, especially as they impact student achievement. As such, SLCSD is committed to studying the Report’s findings and recommendations and making changes to increase efficiency, accountability, and compliance.

While the Report includes many recommendations which can be implemented at the District level, there are various recommendations in the Report that are outside of the District’s control. For example, various recommendations pertain to matters that are solely within the purview of the SLCSD Board of Education ("Board") or the Utah Legislature. As you know, the Board can only take action in an open meeting if a majority of the members vote to approve the proposed action. While the Superintendent of Schools and Board will review and discuss the Report, it would be inappropriate for this response to include any assumptions related to future official Board action. Accordingly, this response will not address the Report’s recommendations which require Board action or legislative changes to implement.

SLCSD agrees with the fundamental principles of the Report, including the goal of maximizing operational efficiencies, utilizing best practices for internal controls and board governance, targeting student improvement, and routinely evaluating the District’s building needs based on reliable and
accurate data. Indeed, the District is in the process of gathering data and documentation to present to the Board that aligns with key recommendations in the Report, specifically focusing on the most efficient and appropriate configuration of District schools. The District maintains that many of the inefficiencies noted in the Report are a direct result of the current configuration of District schools. While the Report indicates that the District is “operating schools inefficiently,” the District feels strongly that individual schools are being run efficiently. The Report itself underscores this by noting that the District’s utility spending per school aligns with the state average. However, given the number of District schools currently in operation, the District acknowledges that its per pupil spending exceeds the state average. Consequently, in accordance with the Report’s recommendations, the District will critically analyze its operational expenditures to determine where it can become more efficient.

The District also values your office’s perspective on the need for a more robust internal audit function and a critical review of the District’s written agreement with the teachers’ association. While the District is fully compliant with the statutory requirements related to establishing an internal audit program, the District will carefully study the value that an additional internal auditor could provide to the District to determine if that expenditure would be an efficient and effective use of public funds. In accordance with your recommendations, the District will continue to utilize best practices in performing internal audits that are responsive to identified risks and are designed to evaluate the efficiency and effectiveness of District programs. In regard to the District’s written agreement, it must be recognized that the shared governance model has a long and rich history within the District. The District agrees that there is always room for improvement in any negotiated agreement and that additional training will be beneficial especially on fundamental governance issues. Accordingly, the District will continue its practice of providing regular trainings on the written agreement but also look for additional opportunities to provide school administrators and teachers with further clarity on its provisions.

While the District understands the majority of the Report’s findings and recommendations, the District believes that a different analysis of our student/school performance should have been utilized in the Report. The Report largely bases its assessment of student/school performance on proficiency levels rather than growth measures. It is widely acknowledged that proficiency rates are correlated with student demographics and prior achievement; thus, it is not surprising that the Report identifies District schools with “high at-risk populations” as being below the State average in proficiency levels. As was made clear in various meetings with your office, the District is disappointed that the Report did not focus on the 2022 school accountability measures made public by the Utah State Board of Education (“USBE”) that demonstrate not only the significant growth being made by our students, but also the commendable or exemplary growth status of every District elementary school. Growth measures are the most equitable metrics to evaluate schools and student performance; unlike proficiency rates which measure student performance at a single point in time, student growth measures student progress over the course of the school year and is a more accurate reflection of a school’s effectiveness in increasing a student’s learning. Thus, while the District agrees that its resources should always be targeted to improve student learning, the District maintains that it has been successful in doing just that and that its success is reflected in the 2022 growth scores published by USBE.
While the District may not concur with every statement in the Report, we recognize that the Report is a valuable resource that can assist the District in improving its operational efficiencies. To that end, the District is committed to taking the following steps to implement key recommendations in the Report:

1. The District will analyze the number of administrative staff in the child nutrition program to determine whether a more efficient structure should be implemented.
2. The District will develop a structured preventative maintenance plan, that includes a comprehensive accounting of the completed and current projects and projected needs for all District facilities.
3. The District will implement a more robust internal audit function and will analyze the need for a full-time internal auditor.
4. The District will highlight frequently misunderstood sections of the written agreement in its semi-annual shared governance trainings.
5. The District will expand its recognition of high performing teachers and schools, and work to replicate their successful practices.
6. The District will establish consistent written procedures for the submission and approval of its Student Success Plans, and will ensure all Teacher and Student Success Act funds are allocated in accordance with state law.
7. The District will review its administrative procedures and make any changes necessary to ensure that annual consideration is given to whether boundary changes or school closures should occur based on current and projected enrollment data.

In closing, we appreciate your office’s professionalism throughout this process and the opportunity to provide a response to the Report. The District continuously strives to improve its internal control systems in order to maintain the public’s trust in the District’s faithful discharge of its fiduciary duties.

Sincerely,

Melissa Ford  
Board President  
Board of Education, Salt Lake City School District

Dr. Martin W. Bates  
Superintendent of Schools  
Salt Lake City School District