

HB0455S01 compared with HB0455

{Omitted text} shows text that was in HB0455 but was omitted in HB0455S01

inserted text shows text that was not in HB0455 but was inserted into HB0455S01

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Utah Fits All Scholarship Program Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor:

LONG TITLE

General Description:

This bill amends provisions related to the Utah Fits All Scholarship Program.

Highlighted Provisions:

This bill:

- ▶ strengthens residency requirements and income verification process;
- ▶ amends the definition of the program manager;
- ▶ creates a financial administrator to process payments and fund expenditures from a scholarship account;
- ▶ prohibits the program manager from charging processing fees to families;
- ▶ establishes deadlines for scholarship acceptance or denial;
- ▶ limits extracurricular expenses to 20% of the scholarship amount;
- ▶ {limits extracurricular and} limit physical education expenses {each} to an additional 20% of the scholarship amount;
- ▶ creates procedures for students with special needs;
- ▶ enhances program manager accountability through audits and transparency;

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- 18 ▶ adds requirements for a local education agency acting as qualified providers;
- 19 ▶ allows for scholarship amount rollovers;
- 20 ▶ creates a Utah Fits All Scholarship Restricted Account (the account);
- 21 ▶ allows funds within the account to accrue interest and be invested;
- 22 ▶ allows for rollover amounts of unused scholarship awards;
- 23 ▶ clarifies the State Tax Commission's role in income verification; and
- 24 ▶ makes technical changes.

25 **Money Appropriated in this Bill:**

26 None

28 This bill provides a special effective date.

30 **AMENDS:**

31 **53F-6-401** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah 2024, Chapter 26

32 **53F-6-402** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah 2024, Chapter 26

33 **53F-6-403** , as enacted by Laws of Utah 2023, Chapter 1 , as enacted by Laws of Utah 2023, Chapter 1

34 **53F-6-404** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah 2024, Chapter 26

35 **53F-6-405** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah 2024, Chapter 26

36 **53F-6-406** , as enacted by Laws of Utah 2023, Chapter 1 , as enacted by Laws of Utah 2023, Chapter 1

37 **53F-6-407** , as enacted by Laws of Utah 2023, Chapter 1 , as enacted by Laws of Utah 2023, Chapter 1

38 **53F-6-408** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah 2024, Chapter 26

39 **53F-6-409** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah 2024, Chapter 26

40 **53F-6-410** , as enacted by Laws of Utah 2023, Chapter 1 , as enacted by Laws of Utah 2023, Chapter 1

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- 41 **53F-6-411** , as enacted by Laws of Utah 2023, Chapter 1 , as enacted by Laws of Utah 2023,
Chapter 1
- 42 **53F-6-412** , as last amended by Laws of Utah 2024, Chapter 26 , as last amended by Laws of Utah
2024, Chapter 26
- 43 ~~{53G-6-703 , as last amended by Laws of Utah 2023, Chapter 340 , as last amended by Laws
of Utah 2023, Chapter 340}~~
- 44 ~~{53G-6-704 , as last amended by Laws of Utah 2023, Chapter 340 , as last amended by Laws
of Utah 2023, Chapter 340}~~
- 45 ~~{63A-4-204 , as last amended by Laws of Utah 2021, Chapter 33 , as last amended by Laws
of Utah 2021, Chapter 33}~~
- 46 ~~{63A-4-204.5 , as last amended by Laws of Utah 2021, Chapter 33 , as last amended by Laws
of Utah 2021, Chapter 33}~~

43 ENACTS:

- 44 **53F-6-405.5** , Utah Code Annotated 1953 , Utah Code Annotated 1953
- 45 **53F-6-415.5** , Utah Code Annotated 1953 , Utah Code Annotated 1953
- 46 **53F-6-416** , Utah Code Annotated 1953 , Utah Code Annotated 1953
- 47 **53F-6-417** , Utah Code Annotated 1953 , Utah Code Annotated 1953

49 *Be it enacted by the Legislature of the state of Utah:*

50 Section 1. Section **53F-6-401** is amended to read:

51 **53F-6-401. Definitions.**

As used in this part:

- 57 (1) ~~{ "Department of Operations" }~~ "Contracted entity" means ~~{ the department of the state board that
oversees financial operations for the state board. }~~ :
- 59 ~~{ (2) }~~ (a)
- . ~~{ "Educational supplements" means }~~ an organization that:
- 60 (i) ~~{ materials directly related to subjects with core standards }~~ contracts with the state board
{ establishes pursuant } under Section 53F-6-404 to ~~{ Section 53E-4-202 }~~ perform duties and
functions necessary for program administration and operations;
- 62 (ii) ~~{ educational enrichment materials that: }~~ is not affiliated with any international organization;

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- {(A)} (iii) {support learning objectives} does not harvest data for the purpose of reproducing or distributing the data to other entities; {and}
- 64 {(B)} (iv) {are used under the direction of a qualifying provider;} has no involvement in guiding or directing any curriculum or curriculum standards; and
- 65 {(b)} (v) {"Educational supplements" does not include;} performs the specific duties and functions assigned in the contract with the state board.
- 66 {(f)} (b) {entertainment materials;} "Contracted entity" includes:
- 67 {(f)} (i) {recreational equipment} the program manager; {or}
- 68 {(f)} (ii) {non-educational art supplies;} the financial administrator; and
- 67 (iii) any other entity contracted to perform program functions under Section 53F-6-404.
- 69 (c) "Contracted entity" does not include:
- 70 (i) a qualifying provider;
- 71 (ii) an eligible school; or
- 72 (iii) an eligible service provider.
- 73 (2) "Contracted entity employee" means:
- 74 (a) an individual working for an entity contracted under Section 53F-6-404 in a position in which the individual's salary, wages, pay, or compensation, including as a contractor, is paid from scholarship funds.
- 77 (b) "Contracted entity employee" does not include:
- 78 (i) an individual who volunteers for a contracted entity or for a qualifying provider;
- 79 (ii) an individual who works for a qualifying provider; or
- 80 (iii) a qualifying provider.
- 81 (3) "Contracted entity officer" means:
- 82 (a) a member of the board of a contracted entity; or
- 83 (b) the chief administrative officer of a contracted entity.
- 84 (4) "Department of Operations" means the department of the state board that oversees financial operations for the state board.
- 86 (5)
- . (a) "Educational supplements" means:
- 87 (i) materials and equipment directly related to subjects with core standards the state board establishes pursuant to Section 53E-4-202, including:

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- 89 (A) arts education that aligns with state core standards; and
90 (B) music education that aligns with state core standards;
91 (ii) educational enrichment materials that support learning objectives; and
92 (b) "Educational supplements" does not include:
93 (i) entertainment materials;
94 (ii) recreational equipment; or
95 (iii) non-educational art supplies.
- 69 [(1)] ~~{(3)}~~ (6) "Eligible student" means a student:
70 (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;
71 (b) who is a primary resident of the state, including a child of a military service member, as that term is
defined in Section 53B-8-102;
73 (c) who, during the school year for which the student is applying for a scholarship account:
75 (i) does not receive a scholarship under:
76 (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or
77 (B) the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402; and
79 (ii) is not enrolled in, ~~[upon]~~ before receiving the scholarship:
80 (A) an LEA; or
81 (B) the Statewide Online Education Program to participate in a course with funding provided under
Title 53F, Chapter 4, Part 5, Statewide Online Education Program, which does not include
participation in a course by an entity as described in Subsection 53F-6-409(7);
85 (d) whose eligibility is not suspended or disqualified under Section 53F-6-401;~~and]~~
86 (e) who completes, to maintain eligibility, the portfolio requirement described in Subsection
53F-6-402(3)(d)~~[-]~~ ;
88 (f) who provides verification of primary residence in Utah, including a parent's utility bill, lease
agreement, or property tax records; and
90 (g) for out-of-state military families, who attests that the student is not enrolled in a public school
elsewhere while receiving the scholarship.
- 92 [(2)] ~~{(4)}~~ (7) "Federal poverty level" means the United States poverty level as defined by the most
recently revised poverty income guidelines published by the United States Department of Health
and Human Services in the Federal Register.
- 95 ~~{(5)}~~ (8) "Financial administrator" means an organization that:

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- 96 (a) is not affiliated with any international organization;
97 (b) does not harvest data for the purpose of reproducing or distributing the data to other entities;
99 (c) does not have involvement in guiding or directing any curriculum or curriculum standards; and
101 (d) contracts with the state board to administer scholarship payments in accordance with this part.
103 [(3)] ~~{(6)}~~ (9)
. (a) "Home-based scholarship student" means a student who:
104 (i) is eligible to participate in public school, in kindergarten or grades 1 through 12;
105 (ii) [is] attests to being excused from enrollment in an LEA [in accordance with Section 53G-6-204
]to attend a home school; and
107 (iii) receives a benefit of scholarship funds.
108 (b) "Home-based scholarship student" does not mean a home school student who does not receive a
scholarship under the program.
110 [(4)] ~~{(7)}~~ (10) "Household income" means the combined gross income of all parents residing in the
same household as the eligible student.
112 ~~{(8)}~~ (11) "Parent" means:
113 (a) the same as that term is defined in Section 53E-1-102; and
114 (b) a foster parent who has initiated a process to adopt the foster child.
115 [(5)]{ } ~~{(9)}~~ {"Primary residence" means the one location where an individual resides for the
majority of the year.}
117 ~~{(10)}~~ "Program manager" means { } an organization that:
143 {(a) { the Department of Operations or entities the Department of Operations contracts with to perform
any program functions as the Department of Operations determines.
120 ~~{(a)}~~ is qualified as tax exempt under Section 501(c)(3), Internal Revenue Code;]
121 ~~{(b)}~~ is not affiliated with any international organization;]
122 ~~{(c)}~~ does not harvest data for the purpose of reproducing or distributing the data to other entities;]
124 ~~{(d)}~~ has no involvement in guiding or directing any curriculum or curriculum standards;]
125 ~~{(e)}~~ does not manage or otherwise administer a scholarship under:]
126 ~~{(i)}~~ the Carson Smith Scholarship Program established in Section 53F-4-302; or]
127 ~~{(ii)}~~ the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402; and]
129 ~~{(f)}~~ an agreement with the state board recognizes as a program manager, in accordance with this part.]
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- 156 (12) "Primary residence" means the one location where an individual resides for the majority of the year.
- 157 (13) "Program administration" means the oversight and coordination functions performed by the Department of Operations, including:
- 158 (a) establishing and maintaining program standards;
- 159 (b) determining operational requirements and structures;
- 160 (c) procuring and managing contracts for program services;
- 161 (d) ensuring program integrity through direct or contracted oversight;
- 162 (e) coordinating program functions and contracted services; and
- 163 (f) maintaining appropriate separation between government oversight and independent program operations.
- 165 (14) "Program manager" means a contracted entity or entities that:
- 166 (a) performs program operational functions outlined in the procurement agreement described in Section 53F-6-404, including:
- 168 (i) processing scholarship applications and eligibility determinations;
- 169 (ii) maintaining scholarship account records;
- 170 (iii) coordinating with qualifying providers and the financial administrator; and
- 171 (iv) providing customer service to program participants;
- 172 (b) in accordance with required program administration, implements established program standards and procedures; and
- 174 (c) performs other operational duties as specified in the contract.
- 131 ~~[(6){ } {(11)}]~~
- . (a) ~~"Program manager {or financial administrator} employee" means an individual working for the program manager in a position in which the individual's salary, wages, pay, or compensation, including as a contractor, is paid from scholarship funds.]~~
- 135 ~~[(b) "Program manager {or financial administrator} employee" does not include:]~~
- 136 ~~[(i) an individual who volunteers for the program manager{, financial administrator,} or for a qualifying provider;]~~
- 138 ~~[(ii) an individual who works for a qualifying provider; or]~~
- 139 ~~[(iii) a qualifying provider.]~~
- 140 ~~[(7){ } {(12)}] "Program manager { or financial administrator }-officer" means:]~~

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- 141 ~~[(a) a member of the board of a program manager~~ ~~{ -or financial administrator }~~; ~~or~~
142 ~~[(b) the chief administrative officer of a program manager~~ ~~{ -or financial administrator }.~~];
- 143 [(8)] ~~{(13)}~~ (15)
- . (a) "Qualifying provider" means one of the following entities:
- 144 (i) an eligible school that the program manager approves in accordance with Section 53F-6-408; or
146 (ii) an eligible service provider that the program manager approves in accordance with Section
53F-6-409.
- 148 (b) "Qualifying provider" does not include:
- 149 (i) a parent of a home-based scholarship student or a home school student solely in relation to the
parent's child; or
151 (ii) any other individual that does not meet the requirements described in Subsection ~~[(8)(a)]~~ (15)(a).
- 153 [(9)] ~~{(14)}~~ (16) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle,
aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-
law, or daughter-in-law.
- 156 [(10)] ~~{(15)}~~ (17) "Scholarship account" means the account to which a program manager allocates
funds for the payment of approved scholarship expenses in accordance with this part.
- 158 [(11)] ~~{(16)}~~ (18)
- . (a) "Scholarship expense" means an expense described in Section 53F-6-402 that a parent or
scholarship student incurs in the education of the scholarship student for a service or goods that a
qualifying provider provides, including:
- 161 ~~[(a)]~~ (i) tuition and fees of a qualifying provider;
162 ~~[(b)]~~ (ii) fees and instructional materials at a technical college;
163 ~~[(c)]~~ (iii) tutoring services;
164 ~~[(d)]~~ (iv) fees for after-school or summer education programs;
165 ~~[(e)]~~ (v) textbooks, curricula, or other instructional materials, including any supplemental materials
or associated online instruction that a curriculum or a qualifying provider recommends;
168 ~~[(f)]~~ (vi) educational software and applications;
169 ~~[(g)]~~ (vii) supplies or other equipment related to a scholarship student's educational needs;
171 ~~[(h)]~~ (viii) computer hardware or other technological devices that are intended primarily for a
scholarship student's educational needs, not to exceed once every three years for a scholarship
student;

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- 174 [(†)] (ix) fees for the following examinations, or for a preparation course for the following
examinations, that the program manager approves:
- 176 [(†)] (A) a national norm-referenced or standardized assessment described in Section 53F-6-410, an
advanced placement examination, or another similar assessment;
- 179 [(†)] (B) a state-recognized industry certification examination; and
- 180 [(†)] (C) an examination related to college or university admission;
- 181 [(†)] (x) educational services for students with disabilities from a licensed or accredited practitioner
or provider, including occupational, behavioral, physical, audiology, or speech-language
therapies;
- 184 [(†)] (xi) contracted services that the program manager approves and that an LEA provides,
including individual classes, after-school tutoring services, transportation, or fees or costs
associated with participation in extracurricular activities;
- 188 [(†)] (xii) ride fees or fares for a fee-for-service transportation provider to transport the scholarship
student to and from a qualifying provider, not to exceed \$750 in a given school year;
- 191 [(†)] (xiii) in accordance with Subsection ~~{(16)(e)}~~ (18)(c), expenses related to extracurricular
activities, field trips, educational supplements, physical education experiences, and other
educational experiences; or
- 237 (xiv) coursework or educational supplements for arts and music that aligns with state core
standards;
- 194 [(†)] ~~{(xiv)}~~ (xv) any other expense for a good or service that:
- 195 [(†)] (A) a parent or scholarship student incurs in the education of the scholarship student; and
- 197 [(†)] (B) the program manager approves~~[, in accordance with Subsection (5)(d)].~~ .
- 198 (b) "Scholarship expense" does not include:
- 199 (i) chaperon expenses;
- 200 (ii) season tickets or subscriptions to entertainment venues;
- 201 (iii) ski passes or lift tickets;
- 202 (iv) access to recreational facilities unless for physical education purposes;
- 203 (v) playground equipment;
- 204 (vi) the purchase of furniture;
- 205 (vii) clothing; and
- 206 (viii) other non-educational expenses as the program manager determines.

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- 207 (c)
- . (i) A scholarship expense for extracurricular activities may not exceed 20% of the total scholarship amount.
- 209 (ii) A scholarship expense for physical education experiences may not exceed {and} an additional 20% of the total scholarship amount from the amount described in Subsection {(16)(c)(i)} (18)(c)(i).
- 257 (iii) A scholarship expense for arts and music described in Subsection (18)(a)(xiv) is not an extracurricular activity.
- 212 [(12)] {(17)} (19) "Scholarship funds" means:
- 213 (a) funds that the Legislature appropriates for the program; and
- 214 (b) interest that scholarship funds accrue.
- 215 [(13)] {(18)} (20)
- . (a) "Scholarship student" means an eligible student, including a home-based scholarship student, for whom the program manager establishes and maintains a scholarship account in accordance with this part.
- 218 (b) "Scholarship student" does not include a home school student who does not receive a scholarship award under the program.
- 220 [(14)] {(19)} (21) "Utah Fits All Scholarship Program" or "program" means the scholarship program established in Section 53F-6-402.
- 269 Section 2. Section **53F-6-402** is amended to read:
- 270 **53F-6-402. Utah Fits All Scholarship Program -- Scholarship account application -- Scholarship expenses -- Program information.**
- 225 (1) [There] Subject to Section 53F-6-415.5, there is established the Utah Fits All Scholarship Program under which[, beginning March 1, 2024,] a parent may apply [to] [a program manager on behalf of the parent's student] to establish and maintain a scholarship account to cover the cost of a scholarship expense.
- 229 (2)
- . (a) In accordance with this part and required program administration, [The] {Beginning July 1, 2025,} the program manager shall {direct the financial administrator to} establish and maintain[, in accordance with this part,] scholarship accounts for eligible students.
- 232 (b) The program manager shall:
- 233

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- (i) determine that a student meets the requirements to be an eligible student ~~{ before the scholarship is issued }~~; and
- 235 (ii) subject to Subsection (2)(c), each year the student is an eligible student, coordinate with the financial administrator to ~~{ direct the financial administrator to }~~ maintain a scholarship account for the scholarship student to pay for the cost of one or more scholarship expenses that the student or student's parent incurs in the student's education.
- 239 (c) Each year, subject to this part and legislative appropriations, a scholarship student is eligible for no more than[;]
- 241 [(i)] for the 2024-2025 school year, \$8,000.[;] [and]
- 242 [(ii)] ~~for each school year following the 2024-2025 school year, the maximum allowed amount under this Subsection (2)(c) in the previous year plus a percentage increase that is equal to the five-year rolling average inflationary factor described in Section 53F-2-405.]~~
- 246 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds shall be distributed { by the state board or program manager } to the state board or program manager and through the financial administrator in two equal payments:
- 249 (i) the first payment at the beginning of the scholarship year; and
- 250 (ii) the second payment during the second half of the scholarship year.
- 251 (3)
- . (a) In accordance with required program administration, [A] a program manager shall direct the financial administrator to establish a scholarship account on behalf of an eligible student who submits a timely application, unless the number of applications exceeds available scholarship funds for the school year.
- 255 (b) If the number of applications exceeds the available scholarship funds for a school year, the program manager shall select students on a random basis, except as provided in Subsection (6) as long as the student meets the eligibility criteria.
- 258 (c) An eligible student or a public education student shall submit an application for an initial scholarship or renewal for each school year that the student intends to receive scholarship funds.
- 261 (d)
- . (i) To maintain eligibility, a scholarship student or the scholarship student's parent shall annually:
- 263 (A) provide verification of primary residence in Utah through the application process described in this section; and

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- 265 (B) complete and deliver to the program manager a portfolio describing the scholarship student's
educational opportunities and achievements under the program for the given year.
- 268 (ii) The program manager may not disclose the content of a given scholarship student's portfolio except
to the scholarship student's parent.
- 270 (4)
- . (a) An application for a scholarship account shall contain an acknowledgment by the student's parent
that the qualifying provider selected by the parent for the student's enrollment or engagement is
capable of providing education services for the student.
- 273 (b) A scholarship account application form shall contain the following statement:
- 274 "I acknowledge that:
- 275 1: A qualifying provider may not provide the same level of disability services that are provided
in a public school;
- 277 2: I will assume full financial responsibility for the education of my scholarship recipient if I
agree to this scholarship account;
- 279 3: Agreeing to establish this scholarship account has the same effect as a parental refusal
to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals with
Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and
- 282 4: My child may return to a public school at any time, and I will notify the program manager
within five business days if my child returns to a public school that is not a qualifying provider or if
we have elected to take courses from the public portion of a qualifying provider.".
- 286 (c) Upon agreeing to establish a scholarship account, the parent assumes full financial responsibility
for the education of the scholarship student, including the balance of any expense incurred at
a qualifying provider or for goods that are not paid for by the scholarship student's scholarship
account.
- 290 (d) Agreeing to establish a scholarship account has the same effect as a parental refusal to consent
to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities
Education Act, 20 U.S.C. Sec. 1400 et seq.
- 293 (e) The creation of the program or establishment of a scholarship account on behalf of a student does
not:
- 295 (i) imply that a public school did not provide a free and appropriate public education for a student; or
- 297 (ii) constitute a waiver or admission by the state.

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- 298 (5) A program manager may not charge a scholarship account application fee.
- 299 (6)
- . (a) A program manager shall give an enrollment preference based on the following order of preference:
- 301 (i) to an eligible student who used a scholarship account in the previous school year;
- 302 (ii) to an eligible student:
- 303 (A) who did not use a scholarship account in the previous school year; and
- 304 (B) with a family income at or below 200% of the federal poverty level;
- 305 (iii) to an eligible student who is a sibling of an eligible student who:
- 306 (A) uses a scholarship account at the time the sibling applies for a scholarship account; or
- 308 (B) used a scholarship account in the school year immediately preceding the school year for which the sibling is applying for a scholarship account; and
- 310 (iv) to an eligible student:
- 311 (A) who did not use a scholarship account in the previous school year; and
- 312 (B) with a family income between 200% and 555% of the federal poverty level.
- 313 (b)
- . (i) The State Tax Commission may, upon request, provide state individual income tax information to the program manager for income verification purposes regarding a given individual if:
- 316 [(i)] (A) the individual voluntarily provides the individual's social security number to the program manager; and
- 318 [(ii)] (B) consents in writing to the sharing of state individual income tax information solely for income verification purposes.
- 320 ~~{(ii) {If the tax return for the year immediately preceding the current year has not been filed, the program manager may grant conditional approval based on documentation in Subsection (6)(d)(iii), subject to verification upon filing.} }~~
- 323 ~~{(iii)}~~ (ii) The State Tax Commission shall create and implement an income verification process in accordance with this Subsection (6)(b).
- 325 (c)
- . (i) [In addition to the tax information described in Subsection (6)(b),] For individuals who do not participate in the verification process under Subsection (6)(b), the program manager shall accept the following for income verification:
- 328 ~~[(i)]~~ (A) a federal form W-2;

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- 329 [(ii)] (B) a wage statement from an employer; and
- 330 [(iii)] (C) other methods or documents that the program manager identifies.
- 374 (ii) If the tax return for the year immediately preceding the current year has not been filed, the program manager may grant conditional approval based on documentation in Subsection (6)(d)(iii), subject to verification upon filing.
- 331 (d) For income verification purposes:
- 332 (i) the program manager shall require documentation of household income, not individual income;
- 334 (ii) if the individual income tax is a business income filing, require:
- 335 (A) the most recently filed business tax returns;
- 336 (B) year-to-date profit and loss statements; and
- 337 (C) documentation of the owner's draw or distributions; and
- 338 (iii) for households awaiting completion of tax filings for the year immediately preceding the current year, the following documentation the program manager shall accept for conditional approval are:
- 341 (A) the most recent W-2s;
- 342 (B) a current pay stubs showing year-to-date earnings; and
- 343 (C) an employer verification letters.
- 344 (7)
- . (a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account to pay for a scholarship expense from a qualifying provider that a parent or scholarship student incurs in the education of the scholarship student.
- 347 (b) A scholarship student or the scholarship student's parent may not use a scholarship account for an expense that the student or parent does not incur in the education of the scholarship student, including:
- 350 (i) a rehabilitation program that is not primarily designed for an educational purpose; or
- 352 (ii) a travel expense other than a transportation expense described in Section 53F-6-401.
- 354 (c) The program manager may not:
- 355 (i) approve a scholarship expense for a service that a qualifying provider provides unless the program manager determines that the scholarship student or the scholarship student's parent incurred the expense in the education of the scholarship student; or
- 359 (ii) reimburse an expense for a service or good that a provider that is not a qualifying provider provides unless:

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- 361 (A) the parent or scholarship student submits a receipt that shows the cost and type of service or good
and the name of provider;
- 363 (B) the expense would have qualified as a scholarship expense if a qualifying provider provided the
good or service;
- 365 (C) the provider of the good or service is not the parent of the student who is a home-based scholarship
student solely in relation to the parent's child; and
- 367 (D) the program manager determines that the parent or scholarship student incurred the expense in the
education of the scholarship student.
- 369 (d) The parent of a scholarship student may not receive scholarship funds as payment for the parent's
time spent educating the parent's child.
- 371 (e) Except for cases in which a scholarship student or the scholarship student's parent is convicted of
fraud in relation to scholarship funds, if a qualifying provider, scholarship student, or scholarship
student's parent repays an expenditure from a scholarship account for an expense that is not
approved under this Subsection (7), the program manager shall credit the repaid amount back to the
scholarship account balance within 30 days after the day on which the program manager receives
the repayment.
- 378 (8) Notwithstanding any other provision of law, funds that the program manager or financial
administrator disburses from the Utah Fits All Scholarship Program Restricted Account created in
Section 53F-6-411 under this part to a scholarship account on behalf of a scholarship student do not
constitute state taxable income to the parent of the scholarship student.
- 382 (9) The program manager shall prepare and disseminate information on the program to a parent
applying for a scholarship account on behalf of a student, including the information that the program
manager provides in accordance with Section 53F-6-405.
- 385 (10) [~~On or before September 1, 2023, and as-~~] As frequently as necessary to maintain the information,
the state board shall provide information on the state board's website, including:
- 388 (a) scholarship account information;
- 389 (b) information on the program manager, including the program manager's contact information; and
- 391 (c) an overview of the program.
- 392 (11) ~~{The}~~ In accordance with required program administration, the program manager shall:
- 393

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- (a) in alignment with deadlines specified in Subsection 53F-6-405(1)(c), establish and communicate to an eligible student a deadline by which the eligible student must accept or deny the scholarship offer; and
- 396 (b) communicate to an eligible student that failure to respond by the deadline described in Subsection
(11)(a) shall result in forfeiture of the scholarship offer.
- 398 (12) In accordance with Subsection 53F-6-403(7), the program manager shall:
- 399 (a) verify student eligibility status before removing any student from scholarship eligibility;
401 (b) establish protocols for reviewing disputed eligibility determinations;
402 (c) implement a process for immediate reinstatement of eligibility when errors are identified;
404 (d) maintain detailed records of all eligibility removals and reinstatements; and
405 (e) provide regular reports to the state board regarding eligibility status changes of a scholarship
student.
- 454 Section 3. Section **53F-6-403** is amended to read:
455 **53F-6-403. Qualifying providers.**
- 409 (1) Before the beginning of the school year immediately following a school year in which a qualifying
provider receives scholarship funds equal to or more than \$500,000, the qualifying provider shall
file with the program manager a surety bond payable to the program manager in an amount equal to
the aggregate amount of scholarship funds expected to be received during the school year.
- 414 (2) If a program manager determines that a qualifying provider has violated a provision of this part, the
program manager may [interrupt] have the disbursement [of] interrupted or withhold scholarship
funds from the qualifying provider.
- 417 (3)
- . (a) If the program manager determines that a qualifying provider no longer meets the eligibility
requirements described in this part, the program manager may withdraw the organization's approval
of the qualifying provider.
- 420 (b) A provider or person that does not have the approval of the program manager in accordance with the
following may not accept scholarship funds for services under this part:
- 423 (i) Section 53F-6-408 regarding eligible schools; or
424 (ii) Section 53F-6-409 regarding eligible service providers.
425

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- (4) If a qualifying provider requires partial payment of tuition or fees before the beginning of the academic year to reserve space for a scholarship student who has been admitted to the qualifying provider, the program manager may direct the financial administrator to:
- 428 (a) pay the partial payment before the beginning of the school year in which the scholarship funds are awarded; and
- 430 (b) deduct the amount of the partial payment from subsequent scholarship fund deposits in an equitable manner that provides the best availability of scholarship funds to the student throughout the remainder of the school year.
- 433 (5) If a scholarship student [~~described in Subsection (4)(a)~~] chooses to withdraw from or otherwise not engage with the qualifying provider before the beginning of the school year:
- 436 (a) the qualifying provider shall remit the partial payment described in Subsection (4)(a) [~~to the program manager~~] to the financial administrator; and
- 438 (b) the program manager shall direct the financial administrator to credit the remitted partial payment to the scholarship student's scholarship account.
- 440 (6) A qualifying provider that is an LEA shall:
- 441 (a) comply with the additional requirements set forth in Section 53F-6-408, including ensuring enrollment systems provide a distinct separation of a scholarship student from a public education student;
- 444 (b) utilize the reporting process established under Subsection (7);
- 445 (c) submit enrollment verifications in accordance with rules established by the state board; and
- 447 (d) maintain records of enrollment reporting and verification activities.
- 448 (7) The Department Superintendent of Operations shall:
- 449 (a) establish a process for an LEA provider to report:
- 450 (i) instances of double counted enrollment; and
- 451 (ii) students who are erroneously removed from scholarship eligibility;
- 452 (b) develop a standardized reporting mechanism that:
- 453 (i) allows LEA providers to submit verification of accurate student enrollment status;
- 454 (ii) maintains documentation of enrollment discrepancies; and
- 455 (iii) tracks resolution of reported enrollment issues;
- 456 (c) implement data validation measures to:
- 457 (i) identify potential double counted enrollment across LEA providers; and

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- 458 (ii) ensure students maintain proper scholarship eligibility status; and
459 (d) provide training to LEA providers on:
460 (i) proper enrollment reporting procedures;
461 (ii) use of the reporting mechanism described in Subsection (7)(b); and
462 (iii) resolution of enrollment discrepancies.

510 Section 4. Section **53F-6-404** is amended to read:

511 **53F-6-404. State board procurement -- Failure to comply.**

465 (1)

(a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the state board shall~~{}~~

467 (i) issue ~~[a]~~ [request] requests for proposals for ~~{ a financial administrator }~~ entities to perform duties
and functions necessary for program operations.~~;} [on or before { } June 15, 2023, { } July 1,
2025;}~~ and

469 (ii) ~~enter an agreement with { } no more than one { } an~~ organization~~{ }~~ that qualifies as tax
exempt under Section 501(c)(3), Internal Revenue Code, ~~{ }~~ for the state board to recognize as
the ~~{ }~~ program manager, on or before September 1, 2023] ~~{ financial administrator }.~~

473 (b) An organization that responds to a request for proposals described in Subsection (1)(a) shall submit
[the following] information [in the organization's response] demonstrating:

521 (i) organizational qualifications and capacity to perform the specific duties or functions;

523 (ii) relevant experience in education program administration or financial management;

524 (iii) proposed methodology for performing assigned responsibilities; and

525 (iv) an affidavit or other evidence that the organization:

526 (A) is not affiliated with any international organization;

527 (B) does not harvest data for the purpose of reproducing or distributing the data to another entity; and

529 (C) has no involvement in guiding or directing any curriculum standards.

475 [(i) a copy of the organization's incorporation documents;]

476 [(ii) a copy of the organization's Internal Revenue Service determination letter qualifying the
organization as being tax exempt under Section 501(c)(3), Internal Revenue Code;]

479 [(iii) a description of the methodology the organization will use to verify a student's eligibility under
this part;]

481 [(iv){ } ~~{(ii)}~~] a description of the organization's proposed ~~{ }~~ scholarship account application process;
and]

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- 538 ~~[(v) {methodology for processing and tracking scholarship payments;}~~
483 ~~{(iii) {a description of the organization's proposed financial controls and reporting processes;}~~
485 ~~{(v)} (iv) an affidavit or other evidence that the organization:~~
486 ~~[(A) is not affiliated with any international organization;]~~
487 ~~[(B) does not harvest data for the purpose of reproducing or distributing the data to another entity; and]~~
489 ~~[(C) has no involvement in guiding or directing any curriculum standards{ } -]~~
543 ~~(c) {; and}~~
490 ~~{(v) evidence demonstrating the organization's ability to scale operations, including:}~~
491 ~~{(A) technological infrastructure capacity;}~~
492 ~~{(B) staffing capabilities;}~~
493 ~~{(C) financial stability; and}~~
494 ~~{(D) {successful management of similar programs or operations of comparable scale or capacity to
scale up operations effectively;}~~
496 ~~{(e)}~~ The state board shall ensure that the agreement described in Subsection (1)(a):
497 (i) ~~clearly delineate the specific duties and functions to be performed;~~
545 ~~(ii) ensures the {efficiency and success of the program{ } efficient and secure processing of
scholarship payments};~~
546 ~~(iii) maintain appropriate separation between program administration and direct educational services;~~
548 ~~(iv) preserve the independence of educational decisions made between parents and providers; and~~
499 ~~[(ii)] (v) does not impose any requirements on the {program manager{ } financial administrator} that:~~
501 (A) are not essential to the basic administration of ~~{the program{ } scholarship payments};~~ or
503 (B) create restrictions, directions, or mandates regarding instructional content or curriculum.
505 (2) The state board may regulate and take enforcement action as necessary against ~~a{ } program
manager] {financial administrator} contracted entities~~ in accordance with the provisions of the state
board's agreement with the ~~[program manager] {financial administrator} contracted entities.~~
508 (3)
. (a) If the state board determines that a ~~[program manager] {financial administrator} contracted entity~~
has violated a provision of this part or a provision of the state board's agreement with the ~~[program
manager] {financial administrator} contracted entity~~, the state board shall send written notice to
the ~~[program manager] {financial administrator} contracted entity~~ explaining the violation and the
remedial action required to correct the violation.

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- 513 (b) A [program manager] { financial administrator } contracted entity that receives a notice described in Subsection (3)(a) shall, no later than 60 days after the day on which the [program manager] { financial administrator } contracted entity receives the notice, correct the violation and report the correction to the state board.
- 517 (c)
- (i) If a [program manager] { financial administrator } contracted entity that receives a notice described in Subsection (3)(a) fails to correct a violation in the time period described in Subsection (3)(b), the state board may bar the [program manager] { financial administrator } contracted entity from further participation in the program.
- 521 (ii) A [program manager] { financial administrator } contracted entity may appeal a decision of the state board under Subsection (3)(c)(i) in accordance with Title 63G, Chapter 4, Administrative Procedures Act.
- 524 (d) A [program manager] { financial administrator } contracted entity may not accept state funds while the [program manager] { financial administrator } contracted entity:
- 526 (i) is barred from participating in the program under Subsection (3)(c)(i); or
- 527 (ii) has an appeal pending under Subsection (3)(c)(ii).
- 528 (e) A ~~{ }~~ [program manager] { financial administrator } ~~{ }~~ contracted entity that has an appeal pending under Subsection (3)(c)(ii) may continue {to administer} { } to process payments for existing scholarship accounts during the pending appeal.
- 531 (4) ~~{The state board shall establish a process for a } [program manager] contracted entity { to report the information the } [program manager] contracted entity { is required to report to the state board under Section 53F-6-405 { } } The state board shall establish a process for the financial administrator to report required financial information and transaction data.~~
- 535 (5) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and include provisions in the state board's agreement with ~~the { }~~ scholarship organization] { financial administrator } a contracted entity for:
- 538 (a) subject to Subsection (6), the administration of scholarship accounts and disbursement of scholarship funds if a [program manager] { financial administrator } contracted entity is barred from participating in the program under Subsection (3)(c)(i); and
- 541 (b) audit and report requirements { as described in Section 53F-6-405. { } } ~~{ }~~
- 542 (6)

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- (a) The state board shall include in the rules and provisions described in Subsection (5)(a) measures to ensure that the establishment and maintenance of scholarship accounts and { enrollment in the program } disbursement of funds are not disrupted if the [program manager] { financial administrator } contracted entity is barred from participating in the program.
- 547 (b) The state board may, if the [program manager] { financial administrator } contracted entity is barred from participating in the program, issue a new request for proposals and enter into a new agreement with an alternative [program manager] { financial administrator } contracted entity in accordance with this section and, if applicable, Section 53F-6-415.5.
- 551 [(7)
- (a) ~~On or before January 1, 2024, the program manager shall:~~
- 552 [(i) ~~establish a process for a scholarship student or a scholarship student's parent to appeal any administrative decision of the program manager, including scholarship expense denials and determinations regarding enrollment eligibility or suspension or disqualification under Section 53F-6-405;~~]
- 556 [(ii) ~~ensure that the body that determines the outcome of internal appeals:~~]
- 557 [(A) ~~includes parents of scholarship students; and~~]
- 558 [(B) ~~makes a determination within 30 days after the day of the appeal;~~]
- 559 [(iii) ~~make information available regarding the internal appeals process on the program manager's website and on the scholarship application.~~]
- 561 [(b) ~~If the program manager stays or reverses an administrative decision of the program manager on internal appeal, the program manager may not withhold scholarship funds or application approval for the scholarship student on account of the appealed administrative decision unless as the resolution of the internal appeal expressly allows.~~]
- 566 [(8)] (7) The state board may not include a provision in any rule that creates or implies a restriction, direction, or mandate regarding:
- 614 (a) instructional content; ~~or~~
- 615 (b) curriculum; ~~or~~
- 616 (c) program operations that a contracted entity performs pursuant to an agreement under this section.
- 568 [(9)] (8) No later than 10 business days after July 1 of each year, the state board shall disperse to the { program manager } financial administrator an amount equal to the funds appropriated for the Utah Fits All Scholarship Program for the given fiscal year.

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621 Section 5. Section **53F-6-405** is amended to read:

622 **53F-6-405. Program manager duties -- Audit -- Prohibitions.**

573 (1) The program manager shall:

574 (a) administer the program, including:

575 ~~[(a)]~~ (i) maintaining an application website that includes information on enrollment, relevant application
dates, and dates for notification of acceptance;

577 ~~[(b)]~~ (ii) reviewing applications from and determining if a person is:

578 ~~[(i)]~~ (A) an eligible school under Section 53F-6-408; or

579 ~~[(ii)]~~ (B) an eligible service provider under Section 53F-6-409;

580 ~~[(c)]~~ (iii) establishing an application process~~[-, including application dates opening before March 1,~~
2024, in accordance with Section 53F-6-402;] that:

582 (A) opens March 1 of each year for existing scholarship students;

583 (B) opens April 1 of each year for new scholarship students;

584 (C) closes May {3+} 1 of each year;

585 (D) aligns with the acceptance deadline established under Subsection 53F-6-402(11) that shall be prior
to July 1 of each year; and

587 (E) provides an eligible student with a decision regarding the eligible student's application within 30
days of the application deadline specified in this Subsection (1)(c);

590 ~~[(d)]~~ (iv) reviewing and granting or denying applications for a scholarship account;

591 (v) determining the eligibility of scholarship expenses, including establishing necessary policies and
procedures;

593 (vi) approving qualifying providers;

594 (vii) maintaining a list of approved qualifying providers;

595 (b) direct the financial administrator to:

596 ~~[(e)]~~ (i) ~~[providing]~~ provide an online portal for the parent of a scholarship student to access the
scholarship student's account;

598 (ii) ~~[to]~~ facilitate payments to a qualifying provider from the online portal;

599 ~~[(f)]~~ (iii) ~~[ensuring]~~ ensure that scholarship funds in a scholarship account are readily available to a
scholarship student within five business days after receipt of funds from the state board;

602 (iv) process scholarship payments in accordance with the payment schedule established in Section
53F-6-411, unless otherwise authorized; and

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- 604 (v) implement accounting procedures to track partial payments and remaining balances;
606 ~~[(g)]~~ (c) [requiring] require a parent to notify the program manager if the parent's scholarship student is
no longer enrolled in or engaging a service:
- 608 (i) for which the scholarship student receives scholarship funds; and
609 (ii) that is provided to the scholarship student for an entire school year;
- 610 (d) upon receiving notification under Subsection (1)(c), direct the financial administrator to:
612 ~~[(h)]~~ (i) [obtaining-] obtain reimbursement of scholarship funds from a qualifying provider that provides
the services in which a scholarship student is no longer enrolled or with which the scholarship
student is no longer engaged; and
- 615 ~~[(i)]~~ (ii) [expending-] expend all revenue from interest on scholarship funds or investments on
scholarship expenses;
- 617 ~~[(j)]~~ (e) each time the program manager makes an administrative decision that is adverse to a
scholarship student or the scholarship student's parent, [informing] inform the scholarship
student and the scholarship student's parent of the opportunity and process to appeal an
administrative decision of the program manager in accordance with the process described in Section
[53F-6-404] 53F-6-417;
- 622 ~~[(k)]~~ (f) [maintaining-] maintain a protected internal waitlist of all eligible students who have applied to
the program and are not yet scholarship students, including any student who removed the student's
application from the waitlist; [and]
- 625 ~~[(l)]~~ (g) [providing-] provide aggregate data regarding the number of scholarship students and the
number of eligible students on the waitlist described in Subsection (1)(f)[(l)(k)-] ;
- 628 (h) contract for annual and random audits on scholarship accounts conducted:
629 (i) by a certified public accountant who is independent from:
630 (A) the program manager; and
631 (B) the financial administrator's accounts and records pertaining to scholarship funds;
633 (ii) in accordance with generally accepted auditing standards; and
634 (i) require the financial administrator to demonstrate financial accountability through annual reporting
requirements described in Section 53F-6-405.5;
- 636 (j) develop and implement comprehensive training or orientation programs for qualifying providers that
include:
638 (i) annual {mandatory} training or orientation on:

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- 639 (A) program requirements and restrictions;
640 (B) proper documentation and reporting;
641 (C) expense categorization and limitations;
642 (D) fee structure requirements; and
643 (E) student privacy and data security requirements;
644 (ii) quarterly updates on program changes and compliance requirements;
645 (iii) online resources and reference materials that are regularly updated; and
646 (iv) a verification process to ensure providers complete required training or orientation;
648 (k) administer the appeals process described in Section 53F-6-417;
649 (l) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;
650 (m) track and ensure compliance { ~~with the 20% limitation on physical education~~ } of allowed
scholarship expenses; and
652 (n) comply with enhanced accountability measures, including independent audits and public disclosure
of third-party contracts and fees related to the administration of the program.
655 (2) The program manager shall:
656 (a) direct the financial administrator to contract with one or more private entities to develop and
implement a commercially viable, cost-effective, and parent-friendly system that:
659 (i) processes scholarship payments;
660 (ii) maximizes payment flexibility;
661 (iii) allows scholarship students and scholarship student's parents to publicly rate, review, and share
information about qualifying providers; and
663 (iv) provides the program manager with continuous, real-time, view-only access to:
664 (A) all scholarship account transactions and balances;
665 (B) payment processing status;
666 (C) provider payment history;
667 (D) reimbursement tracking; and
668 (E) account reconciliation data;
669 (b) require the financial administrator to submit monthly financial reports including:
670 (i) a statement of financial position;
671 (ii) a statement of activities;
672 (iii) account reconciliation statements;

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- 673 (iv) detailed transaction reports; and
674 (v) [tø:] exception reports highlighting any unusual activity; and
675 [~~(i) establish scholarship accounts;~~]
676 [~~(ii) maximize payment flexibility by allowing;~~]
677 [~~(A) for payment of services to qualifying providers using scholarship funds by electronic or online
funds transfer from the online portal; and]~~
679 [~~(B) pre-approval of a reimbursement to a parent for a good that is a scholarship expense; and]~~
681 [~~(iii) allow scholarship students and scholarship student's parents to publicly rate, review, and share
information about qualifying providers;~~]
683 (c) oversee the financial administrator's compliance with requirements regarding:
684 [~~(b)] (i) except for a reimbursement authorized under this part, [ensuring]the use of scholarship funds
from the online portal directly to a qualifying provider to pay for scholarship expenses without the
availability of withdrawal or other direct access to scholarship funds by an individual; and~~
688 [~~(e)] (ii) [ensure that the]system [complies] compliance with industry standards for data privacy and
cybersecurity, including ensuring compliance with the Family Educational Rights and Privacy Act,
34 C.F.R. Part 99.~~
691 (3) In advance of the program manager accepting applications in accordance with Section 53F-6-402
and as regularly as information develops, the program manager shall provide information regarding
the program by publishing a program handbook online for scholarship applicants, scholarship
students, parents, service providers seeking to become qualifying providers, and qualifying
providers, that includes information regarding:
697 (a) the policies and processes of the program;
698 (b) approved scholarship expenses and qualifying providers;
699 (c) the responsibilities of parents regarding the program and scholarship funds;
700 (d) the duties of the program manager;
701 (e) the opportunity and process to appeal an administrative decision of the program manager in
accordance with the process described in Section [53F-6-404] 53F-6-417; and
704 (f) the role of any private financial management firms or other private organizations with which the
program manager may contract to administer any aspect of the program.
707 (4) To ensure the fiscal security and compliance of the program, the program manager shall:
708

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- (a) prohibit [~~a program manager employee or program manager officer~~] any person from handling, managing, or processing scholarship funds, if, [~~based on a criminal background check that the state board conducts in accordance with Section 53F-6-407, the state board identifies the program manager employee or program manager officer as posing a risk to the appropriate use of scholarship funds~~] the person poses a risk to the appropriate use of scholarship funds, as determined by background checks the program manager conducted in accordance with Section 53F-6-407;
- 715 (b) establish procedures to ensure a fair process to:
- 716 (i) suspend scholarship student's eligibility for the program in the event of the scholarship student's or scholarship student's parent's:
- 718 (A) intentional or substantial misuse of scholarship funds; or
- 719 (B) violation of this part or the terms of the program; and
- 720 (ii) {direct the financial administrator} if the program manager or financial administrator obtains evidence of fraudulent use of scholarship funds, refer the case to the attorney general for collection or criminal investigation; and
- 723 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified under this Subsection (4)(b) or Subsection (4)(c) based on the actions of the student's parent regains eligibility if the student is placed with a different parent or otherwise no longer resides with the parent related to the suspension or disqualification; and
- 728 (c) notify the [~~state board~~] financial administrator, scholarship student, and scholarship student's parent in writing:
- 730 (i) of the suspension described in Subsection (4)(b)(i);
- 731 (ii) that no further transactions, disbursements, or reimbursements are allowed;
- 732 (iii) that the scholarship student or scholarship student's parent may take corrective action within 10 business days of the day on which the program manager provides the notification; and
- 735 (iv) that without taking the corrective action within the time period described in Subsection (4)(c)(iii), the program manager may disqualify the student's eligibility.
- 737 (5)
- . (a) A program manager may not direct the financial administrator to:
- 738 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider to use scholarship funds if:
- 740

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- (A) the program manager determines that the qualifying provider intentionally or substantially misrepresented information on overpayment;
- 742 (B) the qualifying provider fails to refund an overpayment in a timely manner; or
- 743 (C) the qualifying provider routinely fails to provide scholarship students with promised educational services; or
- 745 (ii) reimburse with scholarship funds an individual for the purchase of a good or service if the program manager determines that:
- 747 (A) the scholarship student or the scholarship student's parent requesting reimbursement intentionally or substantially misrepresented the cost or educational purpose of the good or service; or
- 750 (B) the relevant scholarship student was not the exclusive user of the good or service.
- 752 (b) A program manager shall notify a scholarship student if the program manager:
- 753 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying provider under Subsection (5)(a)(i); or
- 755 (ii) refuses reimbursement under Subsection (5)(a)(ii).
- 756 (6)
- . (a) At any time, a scholarship student may change the qualifying provider to which the scholarship student's scholarship account makes distributions.
- 758 (b) If, during the school year, a scholarship student changes the student's enrollment in or engagement with a qualifying provider to another qualifying provider, the program manager may direct the financial administrator to prorate scholarship funds between the qualifying providers based on the time the scholarship student received the goods or services or was enrolled.
- 763 (7) A program manager may not subvert the enrollment preferences required under Section 53F-6-402 or other provisions of this part to establish a scholarship account on behalf of a relative of a contracted entity employee or contracted employee officer~~[of a program manager { -officer or employee. } - { or financial administrator } officer] { -or employee }.~~
- 767 (8) In regards to customer service needs related to the program, the program manager shall:
- 768 (a) provide customer service regarding:
- 769 (i) program eligibility determinations;
- 770 (ii) application status;
- 771 (iii) qualifying provider approvals;
- 772 (iv) scholarship expense eligibility;

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- 773 (v) program policies and requirements;
774 (vi) appeals and grievances; and
775 (vii) general program information;
776 (b) ensure the financial administrator provides customer service regarding:
777 (i) scholarship account access;
778 (ii) payment processing status;
779 (iii) technical support for the payment portal;
780 (iv) account balance inquiries;
781 (v) transaction history; and
782 (vi) reimbursement status;
783 (c) establish customer service standards that the program manager and the financial administrator must
meet;
785 (d) require the financial administrator to:
786 (i) maintain adequate customer service staffing;
787 (ii) meet specified response time requirements; and
788 (iii) track and report on customer service metrics; and
789 (e) coordinate with the financial administrator to ensure seamless referral of inquiries between entities.
791 [~~(8) The program manager shall:~~]
792 [~~(a) contract for annual and random audits on scholarship accounts conducted:~~]
793 [~~(i) by a certified public accountant who is independent from:~~]
794 [~~(A) the program manager;~~]
795 [~~(B) the state board; and~~]
796 [~~(C) the program manager's accounts and records pertaining to scholarship funds; and~~]
798 [~~(ii) in accordance with generally accepted auditing standards;~~]
799 [~~(b) demonstrate the program manager's financial accountability by annually submitting to the state~~
~~board the following:~~]
801 [~~(i) a financial information report that a certified public accountant prepares and that includes the total~~
~~number and total dollar amount of scholarship funds disbursed during the previous calendar year;~~
~~and~~]
804

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~~[(ii) no later than 180 days after the last day of the program manager's fiscal year, the results of the audits described in Subsection (8)(a), including the program manager's financial statements in a format that meets generally accepted accounting principles.]~~

808 ~~[(9)~~

~~(a) The state board:]~~

809 ~~[(i) shall review a report described in this section; and]~~

810 ~~[(ii) may request that the program manager revise or supplement the report if the report does not fully comply with this section.]~~

812 ~~[(b) The program manager shall provide to the state board a revised report or a supplement to the report no later than 45 days after the day on which the state board makes a request described in Subsection (9)(a).]~~

864 (9) In coordinating program operations, the program manager shall:

865 (a) facilitate program implementation through:

866 (i) contracting with qualified entities to perform specific program functions;

867 (ii) establishing clear standards and procedures for program operations;

868 (iii) maintaining appropriate oversight of contracted entities; and

869 (iv) ensuring program integrity;

870 (b) limit direct involvement to:

871 (i) coordination between contracted entities;

872 (ii) verification of program standards;

873 (iii) appropriate oversight measures; and

874 (iv) necessary administrative functions;

875 (c) preserve the independence of:

876 (i) educational decisions made between parents and providers;

877 (ii) financial operations performed by the financial administrator; and

878 (iii) other contracted program functions; and

879 (d) maintain appropriate separation between:

880 (i) program coordination functions;

881 (ii) financial administration; and

882 (iii) direct program services.

883 (10) The program manager shall establish procedures that:

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- 884 (a) facilitate coordination while maintaining operational independence of contracted entities;
886 (b) ensure clear communication channels between all program participants;
887 (c) protect the autonomy of educational decisions; and
888 (d) maintain program integrity through appropriate oversight measures.

815 ~~{(9)}~~ (11) Beginning on August 1, 2025, the program manager or financial administrator may not charge processing fees to an eligible student or pass on third-party fees related to the use or management of scholarship funds.

892 Section 6. Section 6 is enacted to read:

893 **53F-6-405.5. Financial administrator duties and requirements.**

820 (1) The financial administrator shall:

- 895 (a) operate independently in processing and distributing scholarship funds while:
896 (i) following program requirements as established through the program manager;
897 (ii) implementing payment directives from the program manager regarding:
898 (A) scholarship student eligibility;
899 (B) qualifying provider status;
900 (C) payment timing; and
901 (D) other established program requirements;
902 (iii) maintaining separate systems and controls from program administration; and
903 (iv) providing necessary reporting while preserving operational independence;

821 ~~{(a)}~~ (b) implement and maintain a payment processing system that:

- 822 (i) provides an online portal for scholarship account access;
823 (ii) facilitates electronic payments to qualifying providers;
824 (iii) enables pre-approval of parent reimbursements for eligible expenses;
825 (iv) includes provider rating and review capabilities;
826 (v) processes payments efficiently;
827 (vi) prevents unauthorized access;
828 (vii) provides real-time reporting to the program manager; and
829 (viii) maintains backup systems and disaster recovery capabilities;

830 ~~{(b)}~~ (c) process payments only:

- 831 (i) to qualifying providers approved by the program manager;

832

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- (ii) for scholarship expenses determined eligible by the program manager, including the reimbursement for the scholarship expense to parents; and
- 833 (iii) when directed by the program manager;
- 834 ~~{(e)}~~ (d) maintain security measures that:
 - 835 (i) prevent unauthorized access to scholarship funds;
 - 836 (ii) comply with industry standards for data privacy;
 - 837 (iii) ensure compliance with federal education privacy laws; and
 - 838 ~~{(d)}~~ (iv) process scholarship payments according to the distribution schedule described in Section 53F-6-411, including:
 - 840 ~~{(i)}~~ (A) tracking initial and second-half payments;
 - 841 ~~{(ii)}~~ (B) managing early disbursement authorizations; and
 - 842 ~~{(iii)}~~ (C) reconciling payment records with the Utah Fits All Scholarship Restricted Account balance.
- 844 (2) For financial accountability, the financial administrator shall:
 - 845 (a) maintain detailed records of:
 - 846 (i) all scholarship account transactions;
 - 847 (ii) payment processing activities; and
 - 848 (iii) reimbursements and refunds;
 - 849 (b) provide monthly reports to the program manager including:
 - 850 (i) scholarship account balances and activity;
 - 851 (ii) payment processing status and issues;
 - 852 (iii) provider payment summaries; and
 - 853 (iv) reimbursement tracking; and
 - 854 (c) submit annual financial reports including:
 - 855 (i) total scholarship funds disbursed;
 - 856 (ii) account reconciliation statements; and
 - 857 (iii) audit results and responses.
- 858 (3) The financial administrator shall:
 - 859 (a) implement payment suspensions or cancellations as directed by the program manager;
 - 860 (b) process reimbursements from providers as required;
 - 861 (c) credit returned funds to appropriate scholarship accounts; and
 - 862 (d) maintain records of all suspended or canceled payments.

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- 863 (4) The financial administrator:
- 864 (a) may not:
- 865 (i) approve or deny scholarship expenses;
- 866 (ii) determine provider eligibility;
- 867 (iii) establish program policies; and
- 868 (iv) charge processing fees to an eligible student or pass on third-party fees related to the use or
management of scholarship funds; and
- 870 (b) shall:
- 871 (i) follow all program manager directives regarding fund disbursement;
- 872 (ii) maintain separation between policy decisions and payment processing; and
- 873 (iii) implement internal controls to prevent unauthorized payments.
- 874 (5) The financial administrator shall:
- 875 (a) cooperate with all program audits;
- 876 (b) provide requested financial records;
- 877 (c) respond to audit findings as directed; and
- 878 (d) implement corrective actions as required by the program manager.

963 Section 7. Section **53F-6-406** is amended to read:

964 **53F-6-406. Qualifying provider regulatory autonomy -- Home school autonomy -- Student**
records -- Scholarship student status.

- 882 (1) Nothing in this part:
- 883 (a) except as expressly described in this part, grants additional authority to any state agency or LEA to
regulate or control:
- 885 (i) a private school, qualifying provider, or home school;
- 886 (ii) students receiving education from a private school, qualifying provider, or home school;
- 888 (b) applies to or otherwise affects the freedom of choice of a home school student, including the
curriculum, resources, developmental planning, or any other aspect of the home school student's
education; or
- 891 (c) except as expressly provided in Section 53F-6-408 regarding LEA providers, expands the regulatory
authority of the state, a state office holder, or an LEA to impose any additional regulation of a
qualifying provider beyond any regulation necessary to administer this part.
- 895 (2) A qualifying provider:

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- 896 (a) has a right to maximum freedom from unlawful governmental control in providing for the
educational needs of a scholarship student who attends or engages with the qualifying provider; and
- 899 (b) is not an agent of the state by virtue of the provider's acceptance of payment from a scholarship
account in accordance with this part.
- 901 (3) Except as provided in Section 53F-6-403 regarding qualifying providers, Section 53F-6-408
regarding eligible schools, or Section 53F-6-409 regarding eligible service providers, a program
manager may not require a qualifying provider to alter the qualifying provider's creed, practices,
admissions policies, hiring practices, or curricula in order to accept scholarship funds.
- 906 (4) An LEA or a school in an LEA in which a scholarship student was previously enrolled shall provide
to the scholarship student's parent a copy of all school records relating to the student that the LEA
possesses within 30 days after the day on which the LEA or school receives the parent's request for
the student's records, subject to:
- 910 (a) Title 53E, Chapter 9, Student Privacy and Data Protection; and
- 911 (b) Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g.
- 912 (5) By virtue of a scholarship student's involvement in the program and unless otherwise expressly
provided in statute, a scholarship student is not:
- 914 (a) enrolled in the public education system; or
- 915 (b) otherwise subject to statute, administrative rules, or other state regulations as if the student was
enrolled in the public education system.
- 1001 Section 8. Section **53F-6-407** is amended to read:
- 1002 **53F-6-407. Background checks for program manager -- Bureau responsibilities -- Fees.**
- 920 (1) As used in this section:
- 921 (a) "Bureau" means the Bureau of Criminal Identification created in Section 53-10-201 within the
Department of Public Safety.
- 923 (b) "Department" means the Department of Public Safety.
- 924 (c) "Division" means the Criminal Investigations and Technical Services Division created in Section
53-10-103.
- 926 (d) "Personal identifying information" means:
- 927 (i) current name;
- 928 (ii) former names;
- 929 (iii) nicknames;

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- 930 (iv) aliases;
- 931 (v) date of birth;
- 932 (vi) address;
- 933 (vii) telephone number;
- 934 (viii) driver license number or other government-issued identification number;
- 935 (ix) social security number; and
- 936 (x) fingerprints.
- 937 (e) "Rap back system" means a system that enables authorized entities to receive ongoing status notifications of any criminal history reported on individuals whose fingerprints are registered in the system.
- 940 (f) "WIN Database" means the Western Identification Network Database that consists of eight western states sharing one electronic fingerprint database.
- 942 (2) ~~The program manager~~ and financial administrator Each contracted entity shall:
- 943 (a) require an employee or officer of the ~~program manager~~ contracted entity ~~and~~ financial administrator to submit to a criminal background check and ongoing monitoring;
- 945 (b) collect the following from an employee or officer of the ~~program manager~~ and financial administrator contracted entity:
- 947 (i) personal identifying information;
- 948 (ii) a fee described in Subsection (4); and
- 949 (iii) consent, on a form specified by the program manager, for:
- 950 (A) an initial fingerprint-based background check by the bureau;
- 951 (B) retention of personal identifying information for ongoing monitoring through registration with the systems described in Subsection (3); and
- 953 (C) disclosure of any criminal history information to the ~~program manager~~ and financial administrator contracted entity;
- 955 (c) submit the personal identifying information of an employee or officer of the ~~program manager~~ and financial administrator contracted entity to the bureau for:
- 957 (i) an initial fingerprint-based background check by the bureau; and
- 958 (ii) ongoing monitoring through registration with the systems described in Subsection (3) if the results of the initial background check do not contain disqualifying criminal history information as determined by the program manager;

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- 961 (d) identify the appropriate privacy risk mitigation strategy that will be used to ensure that the program manager ~~{and financial administrator}~~ contracted entity only ~~{receives}~~ receive notifications for individuals with whom the program manager ~~{and financial administrator}~~ contracted entity ~~{maintains}~~ maintain an authorizing relationship; and
- 965 (e) submit the information to the bureau for ongoing monitoring through registration with the systems described in Subsection (3).
- 967 (3) The bureau shall:
- 968 (a) upon request from the program manager, register the fingerprints submitted by the program manager ~~{or financial administrator}~~ contracted entity as part of a background check with the WIN Database rap back system, or any successor system;
- 971 (b) notify the program manager when a new entry is made against an individual whose fingerprints are registered with the WIN Database rap back system regarding:
- 973 (i) an alleged offense; or
- 974 (ii) a conviction, including a plea in abeyance;
- 975 (c) assist the program manager ~~{or financial administrator}~~ contracted entity to identify the appropriate privacy risk mitigation strategy that is to be used to ensure that the program manager ~~{and financial administrator}~~ contracted entity only ~~{receives}~~ receive notifications for individuals with whom the authorized [entity] entities [maintains] maintain an authorizing relationship; and
- 980 (d) collaborate with the program manager ~~{or financial administrator}~~ contracted entity to provide training to appropriate program manager ~~{and financial administrator}~~ contracted entity employees on the notification procedures and privacy risk mitigation strategies described in this section.
- 983 (4)
- . (a) The division shall impose fees that the division sets in accordance with Section 63J-1-504 for the fingerprint card of an employee or officer of the program manager, for a name check, and to register fingerprints under this section.
- 986 (b) Funds generated under this Subsection (4) shall be deposited into the General Fund as a dedicated credit by the department to cover the costs incurred in providing the information.
- 1072 Section 9. Section **53F-6-408** is amended to read:
- 1073 **53F-6-408. Eligible schools.**

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- 991 (1) To be eligible to receive scholarship funds on behalf of a scholarship student as an eligible school, a
private school with 150 or more enrolled students shall:
- 993 (a)
- . (i) contract with an independent licensed certified public accountant to conduct an agreed upon
procedures engagement as the state board adopts, or obtain an audit and report that:
- 996 (A) a licensed independent certified public accountant conducts in accordance with generally
accepted auditing standards;
- 998 (B) presents the financial statements in accordance with generally accepted accounting principles;
and
- 1000 (C) audits financial statements from within the 12 months immediately preceding the audit; and
- 1002 (ii) submit the audit report or report of the agreed upon procedure to the program manager when the
private school applies to receive scholarship funds;
- 1004 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;
- 1005 (c) provide a written disclosure to the parent of each prospective scholarship student, before the student
is enrolled, of:
- 1007 (i) the education services that the school will provide to the scholarship student, including the cost of
the provided services;
- 1009 (ii) tuition costs;
- 1010 (iii) additional fees the school will require a parent to pay during the school year; and
- 1011 (iv) the skill or grade level of the curriculum in which the prospective scholarship student will
participate; and
- 1013 (d) require the following individuals to submit to a nationwide, fingerprint-based criminal background
check and ongoing monitoring, in accordance with Section 53G-11-402, as a condition for
employment or appointment, as authorized by the Adam Walsh Child Protection and Safety Act of
2006, Pub. L. No. 109-248:
- 1017 (i) an employee who does not hold:
- 1018 (A) a current Utah educator license issued by the state board under Title 53E, Chapter 6, Education
Professional Licensure; or
- 1020 (B) if the private school is not physically located in Utah, a current educator license in the state where
the private school is physically located; and
- 1022 (ii) a contract employee.

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- 1023 (2) A private school described in Subsection (1) is not eligible to receive scholarship funds if:
- 1025 (a) the private school requires a scholarship student to sign a contract waiving the scholarship student's right to transfer to another qualifying provider during the school year;
- 1028 (b) the audit report described in Subsection (1)(a) contains a going concern explanatory paragraph; or
- 1030 (c) the report of the agreed upon procedures described in Subsection (1)(a) shows that the private school does not have adequate working capital to maintain operations for the first full year.
- 1033 (3) To be eligible to receive scholarship funds on behalf of a scholarship student as an eligible school, a private school with fewer than 150 enrolled students shall:
- 1035 (a) provide to the program manager and financial administrator:
- 1036 (i) a federal employer identification number;
- 1037 (ii) the provider's address and contact information;
- 1038 (iii) a description of each program or service the provider proposes to offer a scholarship student; and
- 1040 (iv) any other information as required by the program manager or financial administrator; and
- 1042 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d.
- 1043 (4) A private school described in Subsection (3) is not eligible to receive scholarship funds if the private school requires a scholarship student to sign a contract waiving the student's rights to transfer to another qualifying provider during the school year.
- 1046 (5) To be eligible to receive scholarship funds on behalf of a scholarship student as an eligible school, an LEA shall:
- 1048 (a) provide to the program manager and financial administrator:
- 1049 (i) a federal employer identification number;
- 1050 (ii) the LEA's address and contact information; and
- 1051 (iii) the amount to be charged under the program for, in correlation with the LEA's course and activity fee schedules, and a description of a class, program, or service the LEA provides to a home-based or a private school scholarship student;
- 1054 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 1055 (c) ensure the provision of services to a scholarship student through which:
- 1056 (i) the scholarship student does not enroll in the LEA; and
- 1057 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU funding related to the student's participation with the LEA.
- 1059 (d) treat a scholarship student the same as the LEA would treat an enrolled student, including in:

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- 1061 (i) participation allowances;
1062 (ii) audition rules;
1063 (iii) athletic team participation;
1064 (iv) extracurricular activities; and
1065 (v) co-curricular activities;
1066 (e) not deny a scholarship student participation in any activity, team, or program simply because:
1068 (i) the student is a scholarship student; or
1069 (ii) of liability concerns specific to the student's scholarship status;
1070 (f) establish a transparent and fair fee structure for scholarship expenses offered by the LEA, including
a fee schedule that:
1072 (i) is based on actual costs of providing services;
1073 (ii) is consistent with fees charged to enrolled students;
1074 (iii) itemizes all charges and fees;
1075 (iv) explains the basis for each fee; and
1076 (v) is updated annually;
1077 (g) provide the same liability coverage to scholarship students as provided to enrolled students; and
1079 (h) in accordance with Subsection 53F-6-402(7), create and maintain a distinct identifier in the LEA's
student information system that:
1081 (i) clearly identifies a scholarship student; and
1082 (ii) distinguishes the scholarship student from a student enrolled in the LEA.
1083 (6) An LEA described in Subsection (5) is not eligible to receive scholarship funds if:
1084 (a) the LEA requires a public education system scholarship student to sign a contract waiving the
student's rights to engage with another qualifying provider for a scholarship expense during the
school year; or
1087 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship students under
the program.
1089 (7) Residential treatment facilities licensed by the state are not eligible to receive scholarship funds.
1091 (8) A private school or LEA intending to receive scholarship funds shall:
1092 (a)
1093 . (i) for a private school, submit an application to the program manager; or

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- (ii) for an LEA, submit a notice to the program manager containing the information described in Subsection (5)(a); and
- 1095 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or scholarship student's parents in any manner except remittances or refunds processed through the financial administrator to a scholarship account in accordance with this part and procedures that the program manager establishes, and the payment schedule described in Section 53F-6-411.
- 1100 (9) The program manager shall:
- 1101 (a) if the private school or LEA meets the eligibility requirements of this section, recognize the private school or LEA as an eligible school and, for a private school, approve the application; and
- 1104 (b) make available to the public a list of eligible schools approved under this section.
- 1105 (10) A private school approved under this section that changes ownership shall:
- 1106 (a) cease operation as an eligible school until:
- 1107 (i) the school submits a new application to the program manager; and
- 1108 (ii) the program manager approves the new application; and
- 1109 (b) demonstrate that the private school continues to meet the eligibility requirements of this section.
- 1111 (11) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the state board shall establish rules for an LEA to create and publish fee structures for scholarship students.
- 1197 Section 10. Section **53F-6-409** is amended to read:
- 1198 **53F-6-409. Eligible service providers.**
- 1116 (1) To be an eligible service provider, a private program or service:
- 1117 (a) shall provide to the program manager:
- 1118 (i) a federal employer identification number;
- 1119 (ii) the provider's address and contact information;
- 1120 (iii) a description of each program or service the provider proposes to offer directly to a scholarship student; and
- 1122 (iv) subject to Subsection (2), any other information as required by the program manager;
- 1124 (b) shall comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 1125 (c) may not act as a consultant, clearing house, or intermediary that connects a scholarship student with or otherwise facilitates the student's engagement with a program or service that another entity provides.
- 1128

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- (2) The program manager shall adopt policies that maximize the number of eligible service providers, including accepting new providers throughout the school year, while ensuring education programs or services provided through the program meet student needs and otherwise comply with this part.
- 1132 (3) A private program or service intending to receive scholarship funds shall:
- 1133 (a) submit an application to the program manager;
- 1134 (b) complete all required training or orientation programs established by the program manager before receiving any scholarship funds and maintain a current training or orientation status throughout participation in the program; and
- 1137 [~~(b)~~] (c) agree to not refund, rebate, or share scholarship funds with scholarship students or scholarship students' parents in any manner except remittances or refunds processed through the financial administrator to a scholarship account in accordance with this part and procedures that the program manager establishes.
- 1141 (4) The program manager shall:
- 1142 (a) if the private program or service meets the eligibility requirements of this section, recognize the private program or service as an eligible service provider and approve a private program or service's application to receive scholarship funds on behalf of a scholarship student; and
- 1146 (b) make available to the public a list of eligible service providers approved under this section.
- 1148 (5) A private program or service approved under this section that changes ownership shall:
- 1149 (a) cease operation as an eligible service provider until:
- 1150 (i) the program or service submits a new application to the program manager; and
- 1151 (ii) the program manager approves the new application; and
- 1152 (b) demonstrate that the private program or service continues to meet the eligibility requirements of this section.
- 1154 (6) The following are not eligible service providers:
- 1155 (a) a parent of a home-based scholarship student or a home school student solely in relation to the parent's child; or
- 1157 (b) any other individual that does not meet the requirements described in this section.
- 1158 (7) Nothing prohibits an entity that provides education services under the Statewide Online Education Program described in Title 53F, Chapter 4, Part 5, Statewide Online Education Program, from operating as an eligible service provider under this part to provide education services to scholarship students.

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1245 Section 11. Section **53F-6-410** is amended to read:

1246 **53F-6-410. Parental rights -- Optional assessment.**

1164 (1) In accordance with Section 53G-6-803 regarding a parent's right to academic accommodations, nothing in this chapter restricts or affects a parent's interests and role in the care, custody, and control of the parent's child, including the duty and right to nurture and direct the child's upbringing and education.

1168 (2)

. (a) A parent may request that the program manager facilitate one of the following assessments of the parent's scholarship student:

1170 (i) a standards assessment described in Section 53E-4-303;

1171 (ii) a high school assessment described in Section 53E-4-304;

1172 (iii) a college readiness assessment described in Section 53E-4-305;

1173 (iv) an assessment of students in grade 3 to measure reading grade level described in Section 53E-4-307; or

1175 (v) a nationally norm-referenced assessment.

1176 (b)

. (i) Notwithstanding any other provision of law, the entity administering an assessment described in Subsection (2)(a) to a scholarship student in accordance with this section may not report the result of or any other data pertaining to the assessment or scholarship student to a person other than the program manager, the scholarship student, or the scholarship student's parent.

1181 (ii) The program manager may not report or communicate the result or data described in Subsection (2)(b)(i) to a person other than the relevant scholarship student and the scholarship student's parent unless the result or data is included in a de-identified compilation of data related to all scholarship students.

1185 (c) In any communication from the program manager regarding an assessment described in this Subsection (2), the program manager shall include a disclaimer that no assessment is required.

1188 (d) The completion of an optional assessment under this section satisfies the portfolio eligibility qualification described in Subsection 53F-6-402(3)(d).

1190 (3) The rights described in this section shall be exercised in conjunction with the procedures for students with special needs as described in Section 53F-6-416.

1275 Section 12. Section **53F-6-411** is amended to read:

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1276 **53F-6-411. Program funding.**

- 1194 (1) ~~[If]~~ Except as provided in Subsection (7), if a scholarship student enters or reenters the public
education system during a given school year:
- 1196 (a) no later than five business days after the day on which the student enters or reenters the public
education system, the program manager shall direct the financial administrator to immediately
remove the balance in the scholarship student's scholarship account for other use within the
program;
- 1200 (b) the state board may not distribute any remaining state funds to the program manager or financial
administrator for the student; and
- 1202 (c) the program manager may direct the financial administrator to use the balance described in
Subsection (1)(a) for another scholarship student.
- 1204 (2) At the end of a school year, a program manager shall:
- 1205 (a) direct the financial administrator to:
- 1206 (i) withdraw any remaining scholarship funds in a scholarship account; and
- 1207 (ii) ~~[retain the scholarship funds for disbursement in the following year.]~~ allocate these funds as
rollovers in accordance with Subsection (4); and
- 1209 (b) return any funds not allocated as rollovers to the program manager or the state board to be deposited
in the restricted account described in Subsection (4).
- 1211 (3)
- . (a) To administer the program, the program manager may use up to ~~[the lesser of]~~5% ~~[or \$2,500,000
]of~~ the funds the Legislature appropriates for the program.
- 1213 (b) ~~[Subject to Subsection (3)(a), the-]~~ The funds for program administration described in Subsection
(3)(a) are nonlapsing.
- 1215 (c) The program manager may not retain administrative cost balances in excess of 25% of total
administrative costs in any fiscal year.
- 1217 (4)
- . (a) There is created a restricted account within the Income Tax Fund known as the "Utah Fits All
Scholarship Program Restricted Account."
- 1219 (b) The restricted account shall consist of:
- 1220 (i) money appropriated to the restricted account by the Legislature;
- 1221 (ii) interest earned on the restricted account; and

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- 1222 (iii) in accordance with Subsection (6), unused scholarship funds returned to the restricted account
under this section.
- 1224 (5)
- . (a) Subject to legislative appropriations, the state board shall distribute scholarship funds to the program
manager or financial administrator from the restricted account in two equal payments:
- 1227 (i) the first payment at the beginning of the scholarship year; and
- 1228 (ii) the second payment during the second half of the scholarship year.
- 1229 (b) Notwithstanding Subsection (5)(a), the program manager may authorize disbursement of a
scholarship student's full annual award amount at the beginning of the scholarship year if:
- 1232 (i) the funds are for private school tuition; or
- 1233 (ii) the program manager determines immediate disbursement is necessary for the student's education.
- 1235 (6) The program manager shall:
- 1236 (a) allow unused scholarship funds to rollover in a 2:1 ratio, where:
- 1237 (i) for every three dollars of unused scholarship funds, two dollars rollover to the scholarship student to
be added to the student's scholarship award for the next scholarship year, up to a maximum rollover
amount of \$2,000that may cumulate; and
- 1240 (ii) the remaining unused funds return to the restricted account;
- 1241 (b) verify the scholarship student maintains program eligibility before executing any rollover; and
- 1243 (c) direct the financial administrator to return any unused funds not allocated as rollovers to the
restricted account described in this section.
- 1245 (7)
- . (a) Before determining a student has reentered public education, the program manager shall:
- 1247 (i) notify the parent in writing of:
- 1248 (A) the identified public school enrollment; and
- 1249 (B) the parent's right to verify or dispute the enrollment finding; and
- 1250 (ii) allow the parent five business days to:
- 1251 (A) confirm the accuracy of the enrollment; or
- 1252 (B) provide evidence disputing the enrollment finding.
- 1253 (b) A parent may appeal an incorrect reentry determination by submitting documentation to the program
manager within the time specified in Subsection (7)(a).
- 1339 Section 13. Section **53F-6-412** is amended to read:

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- 1340 **53F-6-412. Reports.**
[Beginning in 2025 and in] In accordance with Section 68-3-14 and the Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g, the program manager shall submit a report on the program to the Education Interim Committee no later than September 1 of each year that includes:
- 1261 (1) the number and outcomes of appeals processed through the appeals process established in Section 53F-6-417;
- 1263 (2) the total amount and usage of rollover funds as described in Section 53F-6-411;
- 1264 (3) a summary of the income verification process and outcomes, including the number of households verified through each method described in Section 53F-6-402;
- 1266 (4) for scholarship rollovers:
- 1267 (a) the total amount of funds rolled over;
- 1268 (b) the number of students with rollovers; and
- 1269 (c) the impact on subsequent year scholarship amounts;
- 1270 (5) for restricted expenses:
- 1271 (a) total amount spent on extracurricular and physical education expenses;
- 1272 (b) percentage of scholarship funds used for restricted expenses by student; and
- 1273 (c) number of students reaching { ~~the 20% restriction limit for physical education and extracurricular related expenses; and~~ } :
- 1275 ~~{(6)}~~ (i) {in consultation with the financial administrator, all financial data necessary} the 20% restriction limit for {~~the preparation of the reports required under this section no later than 30 days before each reporting deadline.~~} physical education; and
- 1359 (ii) the 20% limit for extracurricular related expenses; and
- 1360 (6) in consultation with the financial administrator, all financial data necessary for the preparation of the reports required under this section no later than 30 days before each reporting deadline.
- 1278 [(4)] (7) the total amount of tuition and fees qualifying providers charged for the current year and previous two years;
- 1280 [(2)] (8) the total amount of goods paid for with scholarship funds in the previous year and a general characterization of the types of goods;
- 1282 [(3)] (9) administrative costs of the program;
- 1283

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- 1285 [(4)] (10) the number of scholarship students from each county and the aggregate number of eligible students on the waitlist described in Section 53F-6-405;
- 1288 [(5)] (11) the percentage of first-time scholarship students who were enrolled in a public school during the previous school year or who entered kindergarten or a higher grade for the first time in Utah;
- 1291 [(6)] (12) the program manager's strategy and outreach efforts to reach eligible students whose family income is at or below 200% of the federal poverty level and related obstacles to enrollments;
- 1294 [(7)] (13) in the report that the program manager submits in 2025, information on steps the program manager has taken and processes the program manager has adopted to implement the program; and
- 1381 [(8)] (14) any other information regarding the program and the program's implementation that the committee requests.
- 1381 Section 14. Section 14 is enacted to read:
- 1382 **53F-6-415.5. Transition provisions**{.}
- 1383 (1) As used in this section:
- 1298 ~~{(1)}~~ (a) {As used in this section, "previous program manager"} "Previous contracted entity" means {the } an organization that was {selected and contracted by the state board} contracted to {administer the} perform program {before May 7, 2025} functions immediately prior to a transition event.
- 1386 (b) "Transition event" means:
- 1387 (i) the expiration or termination of a contracted entity contract;
- 1388 (ii) the inability of a contracted entity to perform required duties; or
- 1389 (iii) any other circumstance requiring transition to a new contracted entity; and
- 1390 (iv) "Transition period" means the time between:
- 1391 (A) the occurrence of a transition event; and
- 1392 (B) the effective date of a contract with a new contracted entity selected through the state's procurement process.
- 1300 (2) {On or before July 1, 2025} Upon the occurrence of a transition event, the Department of Operations {in consultation with the state board} shall:
- 1395 (a) serve as a temporary bridge administrator solely during the time required to:
- 1396 (i) maintain essential program operations; and
- 1397 (ii) complete the procurement process for selecting new contracted entities;
- 1398 (b) immediately initiate and complete the procurement process described in Section 53F-6-404 in an expedited manner;

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- 1302 ~~{(a)}~~ (c) establish ~~{a}~~ clear timelines and procedures for the transition ~~{schedule to implement changes~~
~~in program administration from the previous program manager under this part}~~ process;
- 1401 (d) if the transition event affects the financial administrator:
- 1402 (i) immediately secure temporary financial services through an emergency procurement process to
ensure continuity of payment processing;
- 1404 (ii) ensure the temporary financial services provider meets all qualifications of a financial administrator
under Section 53F-6-401; and
- 1304 ~~{(b)}~~ (iii) ~~{ensure continuous operation of the}~~ maintain separation between program administration
and financial operations during the transition period; and
- 1408 (e) provide proper notice to and coordinate with:
- 1409 (i) qualifying providers;
- 1410 (ii) parents;
- 1305 ~~{(e)}~~ (iii) ~~{notify}~~ all contracted ~~{third parties of the transition timeline and process.}~~ entities;
- 1412 (iv) the state board; and
- 1413 (v) other affected parties.
- 1306 (3) During the transition period, the Department of Operations ~~{in consultation with the state board~~
~~shall}~~ :
- 1308 ~~{(a) {assume immediate oversight of the program; and}}~~
- 1309 ~~{(b) {establish the financial administrator position through the procurement process described in~~
~~Section 53F-6-404;}}~~
- 1311 ~~{(e)}~~ (a) shall ensure:
- 1312 ~~{(i) {all existing scholarship accounts and funds are properly transferred to the new financial~~
~~administrator;}}~~
- 1314 ~~{(ii)}~~ (i) all existing scholarship accounts ~~{shall}~~ remain valid and operational;
- 1315 ~~{(iii)}~~ (ii) all qualifying provider approvals ~~{shall}~~ remain in effect;
- 1316 ~~{(iv)}~~ (iii) no interruption in:
- 1317 (A) scholarship payments;
- 1318 (B) account access for parents; ~~{and}~~
- 1421 (C) contracted entity operations; and
- 1422 (D) other essential program functions;
- 1423 (iv) if a temporary financial services provider is necessary:

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- 1424 (A) oversee the provider's compliance with program requirements;
1425 (B) ensure proper processing of scholarship payments; and
1426 (C) maintain appropriate separation of duties;
1427 (v) preservation of all program data and records for transfer to new contracted entities; and
1429 (vi) continuation of necessary reporting and compliance activities;
1430 (b) may not:
1431 (i) implement new policies or procedures;
1319 ~~{(C)}~~ (ii) modify existing program operations; ~~{and}~~ or
1320 ~~{(v) {proper notice to and coordination with:}}~~
1321 ~~{(A) {qualifying providers:}}~~
1322 ~~{(B) {parents:}}~~
1323 ~~{(C) {financial institutions; and}}~~
1324 ~~{(D) {other affected parties:}}~~
1433 (iii) directly handle or process any scholarship funds; and
1434 (c) shall maintain the program's operational independence from governmental control.
1435 (4) The Department of Operations' temporary bridge administrator role:
1436 (a) is limited to maintaining essential program functions;
1437 (b) may not extend beyond the minimum time necessary to complete the procurement process;
1439 (c) does not constitute ongoing program management or operations;
1440 (d) shall be exercised solely to maintain program continuity during the transition to a new program manager; and
1442 (e) shall terminate immediately upon the new program manager assuming duties
1325 ~~{(4)}~~ (5) All contracts, agreements, and obligations {previously entered into by} from the previous {program manager} contracted entity shall:
1327 (a) remain in effect during {transition} the transition period unless specifically terminated through appropriate procedures;
1328 (b) be reviewed {by the Department of Operations in consultation with the state board} for continuation {or modification}, modification, or termination; and
1447 (c) if necessary, be transferred to appropriate entities as determined through the procurement process.
1449 (6) Upon selection of a new contracted entity, the Department of Operations shall:
1450 (a) facilitate an orderly transfer of all relevant program operations, records, and data;

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- 1451 (b) ensure the new contracted entity is prepared to assume all relevant program responsibilities; and
1453 (c) terminate all temporary administrative duties.
1454 (7) During the transition period
1455 (a) If a temporary financial services provider is necessary:
1456 (i) the provider shall process all program payments and maintain all scholarship accounts;
1330 ~~{(e)}~~ (ii) {if necessary, be transferred to the appropriate entity as Department of Operations-} the
appropriate entity as Department of Operations ~~{determines.}~~ may not directly handle or process
any scholarship funds; and
1460 (iii) the temporary financial services provider shall receive the portion of administrative funds necessary
for financial operations.
1462 (b) The state board shall:
1332 ~~{(5)}~~ (i) {The previous program manager shall cease any marketing or other communications to
potential or current scholarship students and parents of a scholarship student unless-} allocate
administrative funds as directed by the Department of Operations ~~{expressly approves the marketing~~
~~or communication.}~~ to:
1464 (A) the temporary financial services provider for financial operations; and
1465 (B) other contracted entities continuing to perform program functions;
1466 (ii) ensure the total administrative costs do not exceed the limit in Subsection 53F-6-411(3)(a)(i).
1468 (c) The Department of Operations:
1469 (i) shall maintain detailed accounting of all transition period administrative expenditures;
1471 (ii) shall report transition period expenditures to the state board;
1472 (iii) may not directly handle scholarship funds or accounts; and
1473 (iv) shall ensure proper separation between program administration and financial operations is
maintained throughout the transition period.
1475 (d) Any unexpended administrative funds at the end of the transition period shall:
1476 (i) transfer to the newly contracted entities upon completion of the procurement process; or
1478 (ii) return to the restricted account described in Section 53F-6-411 if not needed for contracted entity
operations.

1480 Section 15. Section 15 is enacted to read:

1481 **53F-6-416. Students with special needs.**

The program manager shall coordinate with the program manager of the Carson Smith

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Opportunity Scholarship Program created in Section 53E-7-402 and the Carson Smith Scholarship Program created in Section 53F-4-302 to ensure that a student is not receiving duplicate benefits.

1486 Section 16. Section 16 is enacted to read:

1487 **53F-6-417. Appeals process for denied reimbursements.**

1488 (1) In accordance with required program administration the program manager shall:

1343 ~~{(1)}~~ (a) {The program manager shall} follow an appeals process for when a student's eligibility is suspended or disqualified under Section 53F-6-405~~{:}~~; and

1345 ~~{(2)}~~ (b) {The program manager shall} establish the process and procedures for the appeals process described in this section.

1347 ~~{Section 17. Section 53G-6-703 is amended to read: }~~

1348 **53G-6-703. Private school and home school students' participation in extracurricular activities in a public school.**

1350 (1) As used in this section:

1351 (a) "Academic eligibility requirements" means the academic eligibility requirements that a home school student is required to meet to participate in an extracurricular activity in a public school.

1354 (b) "Association" means the same as that term is defined in Section 53G-7-1101.

1355 (c) "Extracurricular activity" means the same as that term is defined in Section 53G-7-501.

1357 (d) "Initial establishment of eligibility requirements" means an association's eligibility requirements, policies, procedures, and transfer rules that a school student in grade 9 or 10 must meet, and to which the student is bound, to participate on a high school sports team when the student:

1361 (i) attends the high school in which the student is selected for membership on a high school sports team;
or

1363 (ii) does not attend the high school in which the student tries out for and is selected for membership on a high school sports team.

1365 (e) "Minor" means the same as that term is defined in Section 53G-6-201.

1366 (f) "Parent" means the same as that term is defined in Section 53G-6-201.

1367 (g) "Principal" means the principal of the school in which a home school student participates or intends to participate in an extracurricular activity.

1369 (2)

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- (a) A minor who is enrolled in a private school or a home school is eligible to participate in an extracurricular activity at a public school as provided in this section.
- 1371 (b) A private school student may only participate in an extracurricular activity at a public school that is not offered by the student's private school.
- 1373 (c)
- . (i) Except as provided in Subsection (2)(d), a private school student or a home school student may only participate in an extracurricular activity at:
- 1375 (A) the school with attendance boundaries within which the student's custodial parent resides; or
- 1377 (B) the school from which the student withdrew for the purpose of attending a private or home school.
- 1379 (ii) A private school student or a home school student retains the ability to participate in an extracurricular activity at a school described in Subsection (2)(c)(i) if the student did not initially establish the student's eligibility at another school in grade 9 or 10.
- 1383 (d) A school other than a school described in Subsection (2)(c)(i) may allow a private school student or a home school student to participate in an extracurricular activity that the public school sponsors and supports if:
- 1386 (i) for an interscholastic competition of athletic teams, the private school student or the home school student meets the initial establishment of eligibility requirements;
- 1388 (ii) for an interscholastic contest or competition for music, drama, or forensic groups or teams, the private school student, subject to Subsection (2)(b), or the home school student meets the entry requirements for participation;
- 1391 (iii) the private school student or the home school student meets the eligibility requirements under this section; and
- 1393 (iv) the private school student or the home school student meets the enrollment requirements for public school in accordance with Part 4, School District Enrollment.
- 1396 (3)
- . (a) Except as provided in Subsections (4) through (13), a private school student or a home school student is eligible to participate in an extracurricular activity at a public school consistent with eligibility standards:
- 1399 (i) applied to a fully enrolled public school student;
- 1400

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- (ii) of the public school where the private school student or the home school student participates in an extracurricular activity; and
- 1402 (iii) for the extracurricular activity in which the private school or the home school student participates.
- 1404 (b) A school district or public school may not impose additional requirements on a private school student or a home school student to participate in an extracurricular activity that are not imposed on a fully enrolled public school student.
- 1407 (c)
- . (i) A private school student or a home school student who participates in an extracurricular activity at a public school shall pay the same fees as required of a fully enrolled public school student to participate in an extracurricular activity.
- 1410 (ii) If a local school board or a charter school governing board imposes a mandatory student activity fee for a student enrolled in a public school, the fee may be imposed on a private school student or a home school student who participates in an extracurricular activity at the public school if the same benefits of paying the mandatory student activity fee that are available to a fully enrolled public school student are available to a private school student or a home school student who participates in an extracurricular activity at the public school.
- 1417 (4) Eligibility requirements based on school attendance are not applicable to a home school student.
- 1419 (5) A home school student meets academic eligibility requirements to participate in an extracurricular activity if:
- 1421 (a) the student is mastering the material in each course or subject being taught; and
- 1422 (b) the student is maintaining satisfactory progress towards achievement or promotion.
- 1423 (6)
- . (a) To establish a home school student's academic eligibility, a parent, teacher, or organization providing instruction to the student shall submit an affidavit to the principal indicating the student meets academic eligibility requirements.
- 1426 (b) Upon submission of an affidavit pursuant to Subsection (6)(a), a home school student shall:
- 1428 (i) be considered to meet academic eligibility requirements; and
- 1429 (ii) retain academic eligibility for all extracurricular activities during the activity season for which the affidavit is submitted, until:
- 1431

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- (A) a panel established under Subsection (10) determines the home school student does not meet academic eligibility requirements; or
- 1433 (B) the person who submitted the affidavit under Subsection (6)(a) provides written notice to the school principal that the student no longer meets academic eligibility requirements.
- 1436 (7)
- . (a) A home school student who loses academic eligibility pursuant to Subsection (6)(b)(ii)(B) may not participate in an extracurricular activity until the person who submitted the affidavit under Subsection (6)(a) provides written notice to the school principal that the home school student has reestablished academic eligibility.
- 1440 (b) If a home school student reestablishes academic eligibility pursuant to Subsection (7)(a), the home school student may participate in extracurricular activities for the remainder of the activity season for which an affidavit was submitted under Subsection (6)(a).
- 1444 (8) A person who has probable cause to believe a home school student does not meet academic eligibility requirements may submit an affidavit to the principal:
- 1446 (a) asserting the home school student does not meet academic eligibility requirements; and
- 1448 (b) providing information indicating that the home school student does not meet the academic eligibility requirements.
- 1450 (9) A principal shall review the affidavit submitted under Subsection (8), and if the principal determines it contains information which constitutes probable cause to believe a home school student may not meet academic eligibility requirements, the principal shall request a panel established pursuant to Subsection (10) to verify the student's compliance with academic eligibility requirements.
- 1455 (10)
- . (a) A school district superintendent shall:
- 1456 (i) appoint a panel of three individuals to verify a home school student's compliance with academic eligibility requirements when requested by a principal pursuant to Subsection (9); and
- 1459 (ii) select the panel members from nominees submitted by national, state, or regional organizations whose members are home school students and parents.
- 1461 (b) Of the members appointed to a panel under Subsection (10)(a):
- 1462 (i) one member shall have experience teaching in a public school as a licensed teacher and in home schooling high school-age students;
- 1464

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- (ii) one member shall have experience teaching in a higher education institution and in home schooling;
and
- 1466 (iii) one member shall have experience in home schooling high school-age students.
- 1467 (11) A panel appointed under Subsection (10):
- 1468 (a) shall review the affidavit submitted under Subsection (8);
- 1469 (b) may confer with the person who submitted the affidavit under Subsection (8);
- 1470 (c) shall request the home school student to submit test scores or a portfolio of work documenting the
student's academic achievement to the panel;
- 1472 (d) shall review the test scores or portfolio of work; and
- 1473 (e) shall determine whether the home school student meets academic eligibility requirements.
- 1475 (12) A home school student who meets academic eligibility requirements pursuant to Subsection (11),
retains academic eligibility for all extracurricular activities during the activity season for which an
affidavit is submitted pursuant to Subsection (6).
- 1478 (13)
- . (a) A panel's determination that a home school student does not comply with academic eligibility
requirements is effective for an activity season and all extracurricular activities that have academic
eligibility requirements.
- 1481 (b) A home school student who is not in compliance with academic eligibility requirements as
determined by a panel appointed under Subsection (11) may seek to establish academic eligibility
under this section for the next activity season.
- 1484 (14)
- . (a) A public school student who has been declared to be academically ineligible to participate in an
extracurricular activity and who subsequently enrolls in a home school shall lose eligibility for
participation in the extracurricular activity until the student:
- 1488 (i) demonstrates academic eligibility by providing test results or a portfolio of the student's work
to the school principal, provided that a student may not reestablish academic eligibility under
this Subsection (14)(a) during the same activity season in which the student was declared to be
academically ineligible;
- 1492 (ii) returns to public school and reestablishes academic eligibility; or
- 1493 (iii) enrolls in a private school and establishes academic eligibility.
- 1494

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- (b) A public school student who has been declared to be behaviorally ineligible to participate in an extracurricular activity and who subsequently enrolls in a home school shall lose eligibility for participation in the extracurricular activity until the student meets eligibility standards as provided in Subsection (3).
- 1498 (15) When selection to participate in an extracurricular activity at a public school is made on a competitive basis, a private school student or a home school student is eligible to try out for and participate in the activity as provided in this section.
- 1501 (16)
- (a) If a student exits a public school to enroll in a private school or a home school mid-semester or during an activity season, and the student desires to participate in an extracurricular activity at the public school, the public school shall issue an interim academic assessment based on the student's work in each class.
- 1505 (b) A student's academic eligibility to participate in an extracurricular activity under the circumstances described in Subsection (16)(a) is dependent on the student meeting public school academic eligibility standards at the time of exiting public school.
- 1508 (c) A student may appeal an academic eligibility determination made under Subsection (16)(b) in accordance with procedures for appealing a public school student's academic eligibility.
- 1511 (17) Any liability coverage provided to a student under this section also applies to a scholarship student participating under Title 53F, Chapter 6, Part 4, Utah Fits All Scholarship Program.
- 1514 ~~{Section 18. Section 53G-6-704 is amended to read: }~~
- 1515 **53G-6-704. Charter school students' participation in extracurricular activities at other public schools.**
- 1517 (1) As used in this section:
- 1518 (a) "Association" means the same as that term is defined in Section 53G-7-1101.
- 1519 (b) "Extracurricular activity" means the same as that term is defined in Section 53G-7-501.
- 1521 (c) "Initial establishment of eligibility requirements" means the same as that term is defined in Section 53G-6-703.
- 1523 (2) A charter school student is eligible to participate in an extracurricular activity not offered by the student's charter school at:
- 1525

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- 1528 (a) the school with attendance boundaries within which the student's custodial parent resides, if, for
1530 an interscholastic competition of athletic teams, the student did not initially establish the student's
1533 eligibility at another public school in grade 9 or 10;
- 1536 (b) the public school from which the student withdrew for the purpose of attending a charter school; or
- 1539 (c) a public school that is not a charter school if the student's charter school is located on the campus of
1541 the public school or has local school board approval to locate on the campus of the public school.
- 1543 (3) In addition to the public schools listed in Subsection (2), the state board may establish rules to allow
1544 a charter school student to participate in an extracurricular activity at a public school other than a
1546 public school listed in Subsection (2).
- 1548 (4) A school other than a school described in Subsection (2) may allow a charter school student to
1551 participate in an extracurricular activity a public school sponsors and supports if:
- 1553 (a) for interschool competitions of athletic teams, the charter school student meets the initial
1554 establishment of eligibility requirements;
- 1556 (b) for interschool contests or competitions for music, drama, or forensic groups or teams, the charter
1557 school student meets the entry requirements for participation;
- 1558 (c) the charter school student meets the eligibility requirements under this section; and
- 1559 (d) the charter school student meets the enrollment requirements for public school in accordance with
1560 Part 4, School District Enrollment.
- 1561 (5) A charter school student is eligible for an extracurricular activity at a public school consistent with
1562 eligibility standards as applied to full-time students of the public school.
- 1563 (6) A school district or a public school may not impose additional requirements on a charter school
1564 student to participate in an extracurricular activity that are not imposed on full-time students of the
1565 public school.
- 1566 (7)
- 1567 (a) The state board shall make rules establishing fees for charter school students' participation in an
1568 extracurricular activity at school district schools.
- 1569 (b) The rules shall provide that:
- 1570 (i) charter school students pay the same fees as other students to participate in an extracurricular
1571 activity;
- 1572 (ii) charter school students are eligible for fee waivers pursuant to Section 53G-7-504;
- 1573

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- (iii) for each charter school student who participates in an extracurricular activity at a school district school, the charter school shall pay a share of the school district's costs for the extracurricular activity; and
- 1560 (iv) a charter school's share of the costs of an extracurricular activity shall reflect state and local tax revenues expended, except capital facilities expenditures, for an extracurricular activity in a school district or a school divided by total student enrollment of the school district or the school.
- 1564 (c) In determining a charter school's share of the costs of an extracurricular activity under Subsections (7)(b)(iii) and (iv), the state board may establish uniform fees statewide based on average costs statewide or average costs within a sample of school districts.
- 1568 (8) When selection to participate in an extracurricular activity at a public school is made on a competitive basis, a charter school student is eligible to try out for and participate in the activity as provided in this section.
- 1571 (9) Any liability coverage provided to a student under this section also applies to a scholarship student participating under Title 53F, Chapter 6, Part 4, Utah Fits All Scholarship Program.
- 1574 ~~{Section 19. Section 63A-4-204 is amended to read: }~~
- 1575 **63A-4-204. School district participation in Risk Management Fund.**
- 1576 (1)
- . (a) For the purpose of this section, action by a public school district shall be taken upon resolution by a majority of the members of the school district's board of education.
- 1579 (b)
- . (i) Upon approval by the state risk manager and the board of education of the school district, a public school district may participate in the Risk Management Fund or any captive insurance company created by the risk manager, and may permit a foundation established under Section 53E-3-403 to participate in the Risk Management Fund or any captive insurance company created by the risk manager.
- 1584 (ii) Upon approval by the state risk manager and the State Board of Education, a state public education foundation may participate in the Risk Management Fund or any captive insurance company created by the risk manager.
- 1587 (c) Subject to any cancellation or other applicable coverage provisions, either the state risk manager or the public school district may terminate participation in the Risk Management Fund.
- 1590

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- (2) The state risk manager shall contract for all insurance, reinsurance, legal, loss adjustment, consulting, loss control, safety, and other related services necessary to support the insurance programs provided to a participating public school district, except that all supporting legal services are subject to the prior approval of the state attorney general.
- 1595 (3) Each public school district participating in the Risk Management Fund shall comply with Section 63A-4-103.
- 1597 (4)
- . (a) Each year, the risk manager shall prepare, in writing, the information required by Subsection (4)(b) regarding the coverage against legal liability provided a school district employee of this state:
- 1600 (i) by the Risk Management Fund or any captive insurance company created by the risk manager;
- 1602 (ii) under Title 63G, Chapter 7, Governmental Immunity Act of Utah; and
- 1603 (iii) under Title 52, Chapter 6, Reimbursement of Legal Fees and Costs to Officers and Employees Act.
- 1605 (b)
- . (i) The information described in Subsection (4)(a) shall include:
- 1606 (A) the eligibility requirements, if any, to receive the coverage;
- 1607 (B) the basic nature of the coverage for a school district employee, including what is not covered; and
- 1609 (C) whether the coverage is primary or in excess of any other coverage the risk manager knows is commonly available to a school district employee in this state.
- 1612 (ii) The information described in Subsection (4)(a) may include:
- 1613 (A) comparisons the risk manager considers beneficial to a school district employee between:
- 1615 (I) the coverage described in Subsection (4)(a); and
- 1616 (II) other coverage the risk manager knows is commonly available to a school district employee in this state; and
- 1618 (B) any other information the risk manager considers appropriate.
- 1619 (c) By no later than July 1 of each year, the risk manager shall provide the information prepared under this Subsection (4) to each school district that participates in the Risk Management Fund or any captive insurance company created by the risk manager.
- 1622

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- (d) A school district that participates in the Risk Management Fund shall provide a copy of the information described in Subsection (4)(c) to each school district employee within the school district no later than the first day of each school year.
- 1625 (e) If a school district hires an employee after the first day of the school year, no later than 10 days after the day on which the employee is hired, the school district shall provide the information described in Subsection (4)(c) to the employee.
- 1628 (5) For purposes of this section, coverage provided to a school district shall include scholarship students participating in school district activities under Title 53F, Chapter 6, Part 4, Utah Fits All Scholarship Program.
- 1631 ~~{Section 20. Section 63A-4-204.5 is amended to read: }~~
- 1632 **63A-4-204.5. Charter school participation in Risk Management Fund.**
- 1633 (1) A charter school established under the authority of Title 53G, Chapter 5, Charter Schools, may participate in the Risk Management Fund or any captive insurance company created by the risk manager upon the approval of the state risk manager and the governing body of the charter school.
- 1637 (2) Each charter school participating in the Risk Management Fund shall comply with Section 63A-4-103.
- 1639 (3)
- . (a) Each year, the risk manager shall prepare, in writing, the information required by Subsection (3)(b) regarding the coverage against legal liability provided a charter school employee of this state:
- 1642 (i) by the Risk Management Fund or any captive insurance company created by the risk manager;
- 1644 (ii) under Title 63G, Chapter 7, Governmental Immunity Act of Utah; and
- 1645 (iii) under Title 52, Chapter 6, Reimbursement of Legal Fees and Costs to Officers and Employees Act.
- 1647 (b)
- . (i) The information described in Subsection (3)(a) shall include:
- 1648 (A) the eligibility requirements, if any, to receive the coverage;
- 1649 (B) the basic nature of the coverage for a charter school employee, including what is not covered; and
- 1651 (C) whether the coverage is primary or in excess of any other coverage the risk manager knows is commonly available to a charter school employee in this state.
- 1654 (ii) The information described in Subsection (3)(a) may include:

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- 1655 (A) compares the risk manager considers beneficial to a charter school employee between:
1657 (I) the coverage described in Subsection (3)(a); and
1658 (II) other coverage the risk manager knows is commonly available to a charter school employee in this
state; and
1660 (B) any other information the risk manager considers appropriate.
1661 (c) By no later than July 1 of each year, the risk manager shall provide the information prepared under
this Subsection (3) to each charter school that participates in the Risk Management Fund or any
captive insurance company created by the risk manager.
1664 (d) A charter school that participates in the Risk Management Fund or any captive insurance company
created by the risk manager shall provide a copy of the information described in Subsection (3)(c)
to each charter school employee within the charter school no later than the first day of each school
year.
1668 (e) If a charter school hires an employee after the first day of the school year, no later than 10 days after
the day on which the employee is hired, the charter school shall provide the information described in
Subsection (3)(c) to the employee.
1671 (4) For purposes of this section, coverage provided to a charter school shall include scholarship students
participating in charter school activities under Title 53F, Chapter 6, Part 4, Utah Fits All Scholarship
Program.

1492 Section 17. **Effective date.**

This bill takes effect:

- 1676 (1) except as provided in Subsection (2), May 7, 2025; or
1677 (2) if approved by two-thirds of all members elected to each house:
1678 (a) upon approval by the governor;
1679 (b) without the governor's signature, the day following the constitutional time limit of Utah
Constitution, Article VII, Section 8; or
1681 (c) in the case of a veto, the date of veto override.

2-13-25 11:24 AM