

HB0455S02 compared with HB0455

{Omitted text} shows text that was in HB0455 but was omitted in HB0455S02

inserted text shows text that was not in HB0455 but was inserted into HB0455S02

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Utah Fits All Scholarship Program Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor:

2

3 LONG TITLE

4 General Description:

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

6 Highlighted Provisions:

7 This bill:

8 ▶ strengthens residency requirements and income verification process;

9 ▶ amends the definition of the program manager;

10 ▶ creates a financial administrator to process payments and fund expenditures from a scholarship account;

12 ▶ prohibits {the program manager} contracted entities from charging processing fees to families;

13 ▶ establishes deadlines for scholarship acceptance or denial;

14 ▶ limits extracurricular expenses to 20% of the scholarship amount;

14 ▶ limits {extracurricular and} physical education expenses {each} to an additional 20% of the scholarship amount;

16 ▶ creates procedures for students with special needs;

17 ▶ 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

27 Other Special Clauses:

28 This bill provides a special effective date.

30 AMENDS:

- 31 **53E-1-201 [(Effective 07/01/24)-] (Effective upon governor's approval), as last amended**
by Laws of Utah 2024, Chapters 3, 460 and 525 [(Effective 07/01/24)-] (Effective upon
governor's approval), as last amended by Laws of Utah 2024, Chapters 3, 460 and 525
- 33 **53F-6-401 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
26 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 26
- 35 **53F-6-402 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
26 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 26
- 37 **53F-6-403 (Effective upon governor's approval)**, as enacted by Laws of Utah 2023, Chapter
1 **(Effective upon governor's approval)**, as enacted by Laws of Utah 2023, Chapter 1
- 39 **53F-6-404 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
26 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 26
- 41 **53F-6-405 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
26 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 26
- 43 **53F-6-406 (Effective upon governor's approval)**, as enacted by Laws of Utah 2023, Chapter
1 **(Effective upon governor's approval)**, as enacted by Laws of Utah 2023, Chapter 1
- 45 **53F-6-407 (Effective upon governor's approval)**, as enacted by Laws of Utah 2023, Chapter
1 **(Effective upon governor's approval)**, as enacted by Laws of Utah 2023, Chapter 1
- 47 **53F-6-408 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
26 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 26

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49 **53F-6-409** (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapter
26 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapter 26
51 **53F-6-410** (Effective upon governor's approval), as enacted by Laws of Utah 2023, Chapter
1 (Effective upon governor's approval), as enacted by Laws of Utah 2023, Chapter 1
53 **53F-6-411** (Effective upon governor's approval), as enacted by Laws of Utah 2023, Chapter
1 (Effective upon governor's approval), as enacted by Laws of Utah 2023, Chapter 1
55 **53F-6-412** (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapter
26 (Effective upon governor's approval), 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}~~

57 ENACTS:

58 **53F-6-405.5** (Effective upon governor's approval), Utah Code Annotated 1953 (Effective upon
governor's approval), Utah Code Annotated 1953
59 **53F-6-415.5** (Effective upon governor's approval), Utah Code Annotated 1953 (Effective upon
governor's approval), Utah Code Annotated 1953
60 **53F-6-416** (Effective upon governor's approval), Utah Code Annotated 1953 (Effective upon
governor's approval), Utah Code Annotated 1953
61 **53F-6-417** (Effective upon governor's approval), Utah Code Annotated 1953 (Effective upon
governor's approval), Utah Code Annotated 1953

62

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

64 Section 1. Section 53E-1-201 is amended to read:

65 **53E-1-201. Reports to and action required of the Education Interim Committee.**

67 (1) In accordance with applicable provisions and Section 68-3-14, the following recurring reports are
due to the Education Interim Committee:

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- 69 (a) the report described in Section 9-22-109 by the STEM Action Center Board, including the
information described in Section 9-22-113 on the status of the computer science initiative and
Section 9-22-114 on the Computing Partnerships Grants Program;
- 73 (b) the prioritized list of data research described in Section 53B-33-302 and the report on research and
activities described in Section 53B-33-304 by the Utah Data Research Center;
- 76 (c) the report described in Section 53B-1-402 by the Utah Board of Higher Education on career and
technical education issues and addressing workforce needs;
- 78 (d) the annual report of the Utah Board of Higher Education described in Section 53B-1-402;
- 80 (e) the reports described in Section 53B-28-401 by the Utah Board of Higher Education regarding
activities related to campus safety;
- 82 (f) the State Superintendent's Annual Report by the state board described in Section 53E-1-203;
- 84 (g) the annual report described in Section 53E-2-202 by the state board on the strategic plan to improve
student outcomes;
- 86 (h) the report described in Section 53E-8-204 by the state board on the Utah Schools for the Deaf and
the Blind;
- 88 (i) the report described in Section 53E-10-703 by the Utah Leading through Effective, Actionable, and
Dynamic Education director on research and other activities;
- 90 (j) the report described in Section 53F-2-522 regarding mental health screening programs;
- 92 (k) the report described in Section 53F-4-203 by the state board and the independent evaluator on an
evaluation of early interactive reading software;
- 94 (l) the report described in Section 53F-6-412 by the program manager of the Utah Fits All Scholarship
Program;
- 96 ~~(h)~~ (m) the report described in Section 63N-20-107 by the Governor's Office of Economic Opportunity
on UPSTART;
- 98 ~~(m)~~ (n) the reports described in Sections 53F-5-214 and 53F-5-215 by the state board related to grants
for professional learning and grants for an elementary teacher preparation assessment;
- 101 ~~(n)~~ (o) upon request, the report described in Section 53F-5-219 by the state board on the Local
Innovations Civics Education Pilot Program;
- 103 ~~(o)~~ (p) the report described in Section 53F-5-405 by the state board regarding an evaluation of a
partnership that receives a grant to improve educational outcomes for students who are low income;
- 106

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- 110 [(p)] (q) the report described in Section 53B-35-202 regarding the Higher Education and Corrections Council;
- 108 [(q)] (r) the report described in Section 53G-7-221 by the state board regarding innovation plans;
- 110 [(r)] (s) the reports described in Section 53F-6-412 regarding the Utah Fits All Scholarship Program.
- 112 (2) In accordance with applicable provisions and Section 68-3-14, the following occasional reports are due to the Education Interim Committee:
- 114 (a) in 2027, 2030, 2033, and 2035, the reports described in Sections 53B-1-116, 53B-1-117, and 53B-1-118;
- 116 (b) if required, the report described in Section 53E-4-309 by the state board explaining the reasons for changing the grade level specification for the administration of specific assessments;
- 119 (c) if required, the report described in Section 53E-5-210 by the state board of an adjustment to the minimum level that demonstrates proficiency for each statewide assessment;
- 122 (d) the report described in Section 53E-10-702 by Utah Leading through Effective, Actionable, and Dynamic Education;
- 124 (e) if required, the report described in Section 53F-2-513 by the state board evaluating the effects of salary bonuses on the recruitment and retention of effective teachers in high poverty schools;
- 127 (f) upon request, a report described in Section 53G-7-222 by an LEA regarding expenditure of a percentage of state restricted funds to support an innovative education program;
- 130 (g) the reports described in Section 53G-11-304 by the state board regarding proposed rules and results related to educator exit surveys; and
- 132 (h) the report described in Section 26B-5-113 by the Office of Substance Use and Mental Health, the state board, and the Department of Health and Human Services regarding recommendations related to Medicaid reimbursement for school-based health services.

136 Section 2. Section **53F-6-401** is amended to read:

137 **53F-6-401. (Effective upon governor's approval)Definitions.**

As used in this part:

- 57 (1) {"Department of Operations"} "Contract administrator" means the {department of the state board
} state board's appointed Deputy Superintendent of Operations that {oversees financial operations
for the state board} ensures the program manager or financial administrator meets contractual
obligations.
- 59 (2)

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- {(a)} ~~{"Educational supplements"}~~ "Contract oversight and compliance" means the oversight and coordination functions performed by the Department of Operations contract administrator, including:
- 60 ~~{(i)} (a) {materials directly related to subjects}~~ establishing and maintaining program standards within a contract with {core standards the state board establishes pursuant to Section 53E-4-202} a program manager or financial administrator;
- 62 ~~{(ii)} (b) {educational enrichment materials that}~~ determining operational requirements and structures;
- 63 ~~{(A)} (c) {support learning objectives}~~ procuring and managing contracts for program services and standards; {and}
- 64 ~~{(B)} (d) {are used under the direction of a qualifying provider.}~~ ensuring program integrity through direct or contracted oversight;
- 65 ~~{(b)} (e) {"Educational supplements" does not include}~~ coordinating program functions and contracted services with a program manager or financial administrator; and
- 66 ~~{(i)} (f) {entertainment materials}~~ maintaining appropriate separation between government oversight and independent program operations.
- 67 ~~{(ii)} (3) {recreational equipment; or}~~ "Contracted entity" means:
- 68 ~~{(iii)} (a) {non-educational art supplies}~~ an organization that:
- 155 (i) contracts with the state board under Section 53F-6-404 to perform duties and functions necessary for program administration and operations;
- 157 (ii) is not affiliated with any international organization;
- 158 (iii) does not harvest data for the purpose of reproducing or distributing the data to other entities;
- 160 (iv) is not involved in guiding or directing any curriculum or curriculum standards; and
- 162 (v) performs the specific duties and functions assigned in the contract with the state board.
- 164 (b) "Contracted entity" includes:
- 165 (i) the program manager, unless the program manager is the Department of Operations for any duration of time;
- 167 (ii) the financial administrator; and
- 168 (iii) any other entity contracted to perform program functions under Section 53F-6-404.
- 170 (c) "Contracted entity" does not include:
- 171 (i) a qualifying provider;

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- 172 (ii) an eligible school; or
173 (iii) an eligible service provider.
174 (4)
(a) "Contracted entity employee" means 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.
178 (b) "Contracted entity employee" does not include:
179 (i) an individual who volunteers for a contracted entity or for a qualifying provider;
180 (ii) an individual who works for a qualifying provider; or
181 (iii) a qualifying provider.
182 (5) "Contracted entity officer" means:
183 (a) a member of the board of a contracted entity; or
184 (b) the chief administrative officer of a contracted entity.
185 (6) "Department of Operations" means the section of the state board that oversees financial operations,
procurement operations, data and statistics operations, school land trust, and information technology
operations for the state board.
188 (7)
(a) "Educational supplements" means:
189 (i) materials, tools, and equipment that:
190 (A) are directly related to and necessary for subjects aligned with the core standards the state board
establishes pursuant to Section 53E-4-202;
192 (B) are used for specific learning objectives or competencies;
193 (C) support structured learning activities or lessons; and
194 (D) are consumable or non-reusable in nature;
195 (ii) supplemental learning materials that:
196 (A) directly support or enhance the delivery of instruction in core academic subjects;
198 (B) are tied to specific educational goals or outcomes; and
199 (C) are not primarily for entertainment or general enrichment purposes;
200 (iii) arts and music education materials that:
201 (A) align with state core standards; and
202 (B) are used in structured arts or music instruction; and

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- 203 (iv) other educational materials that the program manager determines are:
- 204 (A) necessary for meeting specific learning objectives;
- 205 (B) appropriate for the student's age or grade level; and
- 206 (C) primarily educational rather than recreational in nature.
- 207 (b) "Educational supplements" does not include:
- 208 (i) entertainment materials;
- 209 (ii) recreational equipment;
- 210 (iii) food or nutritional items;
- 211 (iv) furniture or household items;
- 212 (v) general office supplies not specific to an educational activity; or
- 213 (vi) other items that do not have a clear, direct educational purpose aligned with academic instruction.
- 69 [(4)] ~~{(3)}~~ (8) "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, {f} upon]~~ before receiving the scholarship is not enrolled in:
- 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, mortgage
statement, lease agreement, or property tax recordsfrom the current calendar year in which the
eligible student is renewing, reapplying, or applying for the scholarship for the first time; and
- 90

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(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)}~~ (9) "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)}~~ (10)

(a) "Financial administrator" means an organization that:

96 ~~{(a)}~~ (i) is not affiliated with any international organization;

97 ~~{(b)}~~ (ii) does not harvest data for the purpose of reproducing or distributing the data to other entities;

99 ~~{(c)}~~ (iii) ~~{does}~~ is not ~~{have involvement}~~ involved in guiding or directing any curriculum or curriculum standards; and

101 ~~{(d)}~~ (iv) contracts with the state board to administer scholarship payments in accordance with this part.

251 (b) "Financial administrator" may include an organization that serves as both program manager and financial administrator if the organization maintains appropriate separation of duties and meets all qualifications for both roles.

103 [(3)] ~~{(6)}~~ (11)

(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]~~ exited from enrollment in ~~[an LEA-{f}] in accordance with Section 53G-6-204]~~ in a public school to attend a home school if the student was enrolled at any time in a public 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)}~~ (12) "Household income" means ~~{the combined gross income of all parents residing in the same household as the eligible student.}~~ :

112 ~~{(8)}~~ (a) the combined gross income of all parents residing in the same household as the eligible student;

265 (b) the gross income of a single parent who claims the student as a dependent; or

266 (c) the gross income of a parent who claims the student as a dependent under the terms of a joint custody agreement.

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- 268 (13) "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:
- 272 [(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.]
- 283 (14) "Primary residence" means the one location where an individual resides for the majority of the
year.
- 285 (15) "Private school" means a full-time, tuition-bearing educational institution where the student
receives the majority of the student's academic instruction.
- 287 (16)
- (a) "Program manager" means a contracted entity or entities that:
- 288 (i) perform program operational functions outlined in the procurement agreement described in
Section 53F-6-404, including:
- 290 (A) processing scholarship applications and eligibility determinations;
- 291 (B) maintaining scholarship account records;
- 292 (C) coordinating with qualifying providers and the financial administrator; and
- 293 (D) providing customer service to program participants;
- 294 (ii) in accordance with required program administration, implement established program standards
and procedures; and
- 296 (iii) perform other operational duties as specified in the contract.

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- 297 (b) "Program manager" may include an organization that serves as both program manager and
financial administrator if the organization maintains appropriate separation of duties and meets all
qualifications for both roles
- 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:]
- 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) } (17)
- (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) } (18) "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) } (19) "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) } (20)

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(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;
- 174 [~~(i)~~] (ix) fees for the following examinations, or for a preparation course for the following
 examinations, that the program manager approves:
- 176 [~~(i)~~] (A) a national norm-referenced or standardized assessment described in Section 53F-6-410, an
 advanced placement examination, or another similar assessment;
- 179 [~~(ii)~~] (B) a state-recognized industry certification examination; and
- 180 [~~(iii)~~] (C) an examination related to college or university admission;
- 181 [~~(j)~~] (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 [~~(k)~~] (xi) contracted services that the program manager approves and that an LEA provider
 provides offers, including individual classes, after-school tutoring services, transportation, or
 fees or costs associated with participation in extracurricular activities;
- 188 [~~(l)~~] (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 [~~(m)~~] (xiii) in accordance with Subsection {~~(16)(e)~~ (20)(c)}, expenses related to extracurricular
 activities, field trips, educational supplements, physical education experiences, and other
 educational experiences; [~~or~~]

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- 362 (xiv) coursework or an educational supplement for arts and music that aligns with state core
standards;
- 364 (xv) a musical instrument rental, excluding purchase; or
- 194 [(n)] ~~{(xiv)}~~ (xvi) 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, except that a family with one or more scholarship students receiving the level
scholarship under Subsection 53F-6-402(2)(c)(i) may use scholarship funds for one chaperon
expense or pass per family per, regardless of how many scholarship students are in the family or
household;
- 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} of the student;
- 203 (v) playground equipment;
- 204 (vi) the purchase of {furniture;} any type of:
- 205 ~~{(vii)} (A) {clothing} furniture; {and} or~~
- 206 ~~{(viii)} (B) {other non-educational expenses as the program manager determines.}~~ a musical
instrument;
- 207 ~~{(e)} (vii)~~
- ~~{(i)} {A scholarship expense for extracurricular activities may not exceed 20% of the total scholarship~~
~~amount.} apparel; and~~
- 209 ~~{(ii)} (viii) {A scholarship expense for physical education experiences may not exceed and additional~~
~~20% of the total scholarship amount from } other non-educational expenses as the {amount~~
~~described in Subsection (16)(c)(i)} program manager determines.~~
- 383 (c)
- (i) A scholarship expense for extracurricular activities may not exceed 20% of the total scholarship
amount.
- 385 (ii) A scholarship expense for physical education requirements may not exceed an additional 20% of the
total scholarship amount from the amount described in Subsection (20)(c)(i).
- 388

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(iii) A scholarship expense for arts and music described in Subsection (20)(a)(xiv) is not an extracurricular activity.

212 [(12)] {(17)} (21) "Scholarship funds" means:

213 (a) funds that the Legislature appropriates for the program; and

214 (b) interest that scholarship funds accrue.

215 [(13)] {(18)} (22)

(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)} (23) "Utah Fits All Scholarship Program" or "program" means the scholarship program established in Section 53F-6-402.

400 Section 3. Section **53F-6-402** is amended to read:

401 **53F-6-402. (Effective upon governor's approval)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)} {f} }

408 (2)

(a) [The] {Beginning July 1, 2025} In accordance with this part and required program administration, 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 (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

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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 ~~[(e) Each year, subject to this part and legislative appropriations, a scholarship student is eligible for no more than {f} :]~~

241 ~~[(i){f} for the 2024-2025 school year, \$8,000{.f} ;{f} -{f} 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.]~~

244 (c) Each year, subject to this part and legislative appropriations, a scholarship student is eligible for no more than:

246 (i) for a private school student, \$8,000;

247 (ii) for a home-based scholarship student ages 5-12 as of September 1 of the scholarship year, \$4,000; and

249 (iii) for a home-based scholarship student ages 13-18 as of September 1 of the scholarship year, \$6,000.

246 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds to eligible scholarship students shall be distributed {by} to the {state board or the} program manager and through the financial administrator in two equal payments:

249 (i) the first payment {at the beginning} no later than July 31 of the scholarship year; and

250 (ii) the second payment {during the second half} no later than December 31 of the scholarship year.

251 ~~{(3)}~~

{(a)} When a scholarship student exits the program during the school year:

437 (i) the program manager or the financial administrator shall:

438 (A) remove any remaining funds from the exited student's scholarship account; and

439 (B) make those funds available for new scholarship awards within the same year; and

441 (ii) any new scholarship award made during the same year and using funds from an exited student's account shall be prorated as follows:

443 (A) if awarded during the second quarter of the school year, no more than 75% of the annual scholarship amount is allocated;

445 (B) if awarded during the third quarter of the school year, no more than 50% of the annual scholarship amount is allocated; and

447 (C) no new scholarship awards shall be made during the fourth quarter of the school year.

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- 449 (3)
- (a) [A] In accordance with required program administration, 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), and 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.
- 459 (d)
- (i) To maintain eligibility for the following school year, a scholarship student or the scholarship
student's parent shall:
- 461 (A) 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; or
- 464 (B) submit results from an assessment as described in Section 53F-6-410.
- 465 (ii) The portfolio or assessment described in Subsection (3)(d)(i) must be submitted:
- 466 (A) no later than May 31; or
- 467 (B) in accordance with the assessment schedule submitted to and approved by the program manager.
- 469 (iii) The receipt of the portfolio or assessment results by the program manager is a condition of
scholarship award for the following school year.
- 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}~~
- 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)

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- (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~~ can provide 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.
- 298 (5) A program manager or financial administrator 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 and has submitted the required accountability measure;

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- 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% 300% 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) for any remaining scholarships, to an eligible student~~;~~ on a lottery basis.
- 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) The State Tax Commission shall create and implement an income verification process in accordance with this Subsection (6)(b).]~~
- 325 ~~[(e) { } 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 federal form W-2;]~~
- 329 ~~[(ii) a wage statement from an employer; and]~~
- 330 ~~[(iii) other methods or documents that the program manager identifies.]~~
- 535 (b) If the number of eligible students within any preference tier described in Subsection (6)(a) exceeds available scholarship funds the program manager shall grant awards on a lottery basis.
- 538 (c)

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- 539 (i) For income verification purposes, a parent of a scholarship student shall:
- (A) provide written consent authorizing the State Tax Commission to disclose the parent's state individual income tax return information to the program manager; and
- 542 (B) submit the consent in a form prescribed by the State Tax Commission.
- 543 (ii) Upon receiving the consent described in Subsection (6)(c)(i), the State Tax Commission shall provide state individual income tax information to the program manager for income verification purposes regarding the parent within ten business days.
- 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 the following documentation for conditional approval {are} and only until such a time as the current tax year returns, year-to-date profit and loss statements, or documentation of owner's draw or distributions are provided for the current tax year:
- 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 or financial administrator may not:

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- 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
scholarship 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:
- 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~~;~~ and
- 587 (E) the program manager or financial administrator determines that the parent or scholarship student
incurred the expense when the student was not enrolled in a public school.
- 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

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(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 or financial administrator, including the program
390 manager's manager or financial administrator'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 (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.

629 Section 4. Section **53F-6-403** is amended to read:

630 **53F-6-403. (Effective upon governor's approval)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)

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- (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 (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

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- 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
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.

685 Section 5. Section 53F-6-404 is amended to read:

686 **53F-6-404. (Effective upon governor's approval)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 }~~~~[, on or before {f} June 15,~~
~~2023;{ } July 1, 2025;}~~ and
469 (ii) ~~enter an agreement with {f} no more than one { } an~~ organization~~{f} that qualifies as tax~~
~~exempt under Section 501(c)(3), Internal Revenue Code, { } -]~~ for the state board to recognize
~~as the {f} program manager, on or before September 1, 2023 { } financial administrator]:~~ for
entities to perform duties and functions necessary for program operations.
- 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:
697 (i) organizational qualifications and capacity to perform the specific duties or functions;
699 (ii) relevant experience in education program administration or financial management;
700 (iii) the proposed methodology for performing assigned responsibilities; and
701 (iv) an affidavit or other evidence that the organization:
702 (A) is not affiliated with any international organization;
703 (B) does not harvest data for the purpose of reproducing or distributing the data to another entity; and

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- 705 (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]
- 714 [(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{ } .]
- 719 (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 delineates the specific duties and functions to be performed;
- 721 (ii) ensures the {efficiency and success of the program{ } efficient and secure processing of
scholarship payments};
- 722 (iii) maintains appropriate separation between program and contract administration and direct
educational services;
- 724 (iv) preserves the independence of educational decisions made between parents and providers; and
- 499 [(i)] (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.

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- 505 (2) The state board may regulate and take enforcement action as necessary against ~~a~~ {f} program manager] { ~~financial administrator~~ } a contracted entity in accordance with the provisions of the state board's agreement with the [program manager] { ~~financial administrator~~ } contracted entity.
- 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.
- 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 ~~{f} 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) {fThe 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

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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)
- (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

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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:

790 (a) instructional content~~[-or-]~~;

791 (b) curriculum~~[-]~~; or

792 (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-]~~ each distribution described in Section 53F-6-411, 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.

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

799 **53F-6-405. (Effective upon governor's approval)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 [(e)] (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 {31} 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;

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- 591 (v) determining the eligibility of scholarship expenses, including establishing necessary policies and
procedures;
- 593 (vi) approving qualifying providers{:} in accordance with Section 53F-6-403; and
- 594 (vii) maintaining a list of approved qualifying providers;
- 823 (i)
- 595 (b) { direct the financial administrator to: }
{ } 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 }~~
- 604 ~~{(v) implement accounting procedures to track partial payments and remaining balances; }~~
- 606 ~~{(g)}(e)~~ { } 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;
- 825 (b) direct the financial administrator to:
- 617 ~~{(j)}(e)~~ (e) (i) providing provide an online portal for the parent of a scholarship student to access
the scholarship student's account;
- 828 (ii) [to] facilitate payments to a qualifying provider from the online portal;
- 829 (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;
- 832

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- (iv) process scholarship payments in accordance with the payment schedule established in Section 53F-6-411, unless otherwise authorized;
- 834 (v) in accordance with program administration when needed, develop and implement a commercially viable, cost-effective, and parent-friendly system that:
- 836 (A) processes scholarship payments;
- 837 (B) maximizes payment flexibility;
- 838 (C) allows scholarship students and scholarship student's parents to publicly rate, review, and share information about qualifying providers; and
- 840 (D) provides the program manager with continuous, real-time, view-only access to all scholarship account transactions and balances, payment processing status, provider payment history, reimbursement tracking, and account reconciliation data;
- 844 (vi) upon receiving notification under Subsection (1)(c):
- 845 (A) 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
- 848 (B) expend all revenue from interest on scholarship funds or investments on scholarship expenses; and
- 850 (vii) implement accounting procedures to track partial payments and remaining balances;
- 852 ~~[(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:
- 854 (i) for which the scholarship student receives scholarship funds; and
- 855 (ii) that is provided to the scholarship student for an entire school year;
- 856 ~~[(h)]~~ obtaining 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;
- 859 ~~[(j)]~~ (d) 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;

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- [~~(k)~~] ~~{(f)}~~ (e) [~~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 [~~(f)~~] ~~{(g)}~~ (f) [~~providing-~~] provide aggregate data regarding the number of scholarship students and the number of eligible students on the waitlist described in Subsection ~~{(1)(f)}~~[(1)(k)-] (1)(e);
- 628 ~~{(h)}~~ (g) 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 ~~{(f)}~~ (iii) require the financial administrator to demonstrate financial accountability through annual reporting requirements described in Section 53F-6-405.5;
- 636 ~~{(j)}~~ (iv) develop and implement { ~~comprehensive training or~~ an annual orientation { ~~programs-~~ } for qualifying providers { that include: } :
- 638 ~~{(i) { annual mandatory training or orientation on: } }~~
- 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)}~~ (v) administer the appeals process described in Section 53F-6-417;
- 649 ~~{(f)}~~ (vi) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;
- 650 ~~{(m)}~~ (vii) track and ensure compliance { ~~with the 20% limitation on physical education-~~ } of allowed scholarship expenses; and
- 652 ~~{(n)}~~ (viii) 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

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- ~~[(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)} -]~~
- 888 (a) require the financial administrator to submit monthly financial reports including:
- 889 (i) a statement of financial position;
- 890 (ii) a statement of activities;
- 891 (iii) account reconciliation statements;
- 892 (iv) detailed transaction reports; and
- 893 (v) [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;}
- 673 {(iv) {detailed transaction reports; and}
- 674 {(v) [} to:] 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;]~~

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- 683 ~~{(e)}~~ (b) 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 ~~[eomplies]~~ 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]~~ each contracted entity;
- 701 ~~{(e)}~~ and
- 920 (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 (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:

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- 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 (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.

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- 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 program manager {officer or employee.} {or financial administrator} officer] {or} of a contracted entity employee or contracted employee officer.
- 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;
- 773 (v) program policies and requirements;
- 774 (vi) appeals and grievances; {and}
- 994 (vii) accessibility for disabled individuals; and
- 775 {(vii)} (viii) 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

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- 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
contracted 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 [~~(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
- 812 fully comply with this section.]

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[~~(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).~~]

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

1037 Section 7. Section 7 is enacted to read:

1038 **53F-6-405.5. (Effective upon governor's approval) Financial administrator duties and**
requirements.

820 (1) The financial administrator shall:

1041 (a) operate independently in processing and distributing scholarship funds while:

1042 (i) following program requirements the program manager establishes;

1043 (ii) implementing payment directives from the program manager regarding:

1044 (A) scholarship student eligibility;

1045 (B) qualifying provider status;

1046 (C) payment timing; and

1047 (D) other established program requirements;

1048 (iii) maintaining separate systems and controls from program administration; and

1049 (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; and
- 837 (iii) ensure compliance with federal education privacy laws; and
- 838 ~~{(d)}~~ (e) process scholarship payments according to the distribution schedule described in Section 53F-6-411, including:
- 840 (i) tracking initial and second-half payments;
- 841 (ii) managing early disbursement authorizations; and
- 842 (iii) 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 to the service or item level;
- 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.

1109 Section 8. Section **53F-6-406** is amended to read:

1110 **53F-6-406. (Effective upon governor's approval)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.

1147 Section 9. Section **53F-6-407** is amended to read:

1148 **53F-6-407. (Effective upon governor's approval)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;

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- 929 (iii) nicknames;
- 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 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~~ contracted entity financial administrator:
- 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~~ contracted entity financial administrator;
- 955 (c) submit the personal identifying information of an employee or officer of the ~~program manager~~ contracted entity and financial administrator to the bureau for:
- 957 (i) an initial fingerprint-based background check by the bureau; and
- 958

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- (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;
- 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}~~ entity maintains 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.

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- (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.

1218 Section 10. Section **53F-6-408** is amended to read:

1219 **53F-6-408. (Effective upon governor's approval)Eligible schools.**

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

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- (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.
- 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

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- 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:
- 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.

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- 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)
- (i) for a private school, submit an application to the program manager; or
- 1093 (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.
- 1343 Section 11. Section **53F-6-409** is amended to read:
- 1344 **53F-6-409. (Effective upon governor's approval)Eligible service providers.**
- 1116 (1) To be an eligible service provider, a private program or service:
- 1117 (a) shall provide to the program manager and financial administrator:
- 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

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- 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 (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

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- (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.

1391 Section 12. Section **53F-6-410** is amended to read:

1392 **53F-6-410. (Effective upon governor's approval)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.

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- (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.
- 1422 Section 13. Section **53F-6-411** is amended to read:
- 1423 **53F-6-411. (Effective upon governor's approval)Program funding.**
- 1194 (1) [H] 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)

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- (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
- 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:

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- 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).
- 1486 Section 14. Section **53F-6-412** is amended to read:
- 1487 **53F-6-412. (Effective upon governor's approval) 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) the total amount spent on extracurricular and physical education expenses;
- 1272 (b) the percentage of scholarship funds used for restricted expenses by student; and
- 1273 (c) the 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
- 1506 (ii) the 20% limit for extracurricular related expenses;
- 1507 (6) in consultation with the financial administrator, all financial data necessary for the preparation of the report required under this section no later than 30 days before each reporting deadline;
- 1278

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- [1] (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 [(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;
- 1285 [(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;
- 1288 [(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;
- 1291 [(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
- 1526 (14) breakdown of scholarship students by:
- 1527 (a) private school enrollment versus home-based education; and
- 1528 (b) enrollment preference tier through which the student received the scholarship; and
- 1294 [(8)] ~~{(14)}~~ (15) any other information regarding the program and the program's implementation that the committee requests.
- 1531 Section 15. Section 15 is enacted to read:
- 1532 **53F-6-415.5. (Effective upon governor's approval) Transition provisions.**
- 1533 (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.
- 1536 (b) "Transition event" means:
- 1537 (i) the expiration or termination of a contracted entity contract;
- 1538 (ii) the inability of a contracted entity to perform required duties; or
- 1539 (iii) any other circumstance requiring transition to a new contracted entity, including legislative changes to this part or the program appropriations.
- 1541 (c) "Transition period" means the time between:
- 1542 (i) the occurrence of a transition event; and

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- 1543 (ii) 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:
- 1546 (a) serve as a temporary bridge program administrator solely during the time required to:
- 1547 (i) maintain essential program operations with the full cooperation from the previous contracted entity that is undergoing termination of contract; and
- 1549 (ii) complete the procurement process for selecting new contracted entities;
- 1550 (b) immediately initiate and complete the procurement process described in Section 53F-6-404 in an expedited manner;
- 1302 ~~{(a)}~~ (c) establish {a} clear timelines and procedures for the transition {schedule to implement changes in program administration from} process between the previous {program manager under this part} contracted entity to the Department of Operations to the new contracted entity;
- 1555 (d) if the transition event affects the financial administrator:
- 1556 (i) immediately secure temporary financial services through an emergency procurement process to ensure continuity of payment processing;
- 1558 (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
- 1562 (e) provide proper notice to and coordinate with:
- 1563 (i) qualifying providers;
- 1564 (ii) parents;
- 1305 ~~{(c)}~~ (iii) {notify} all contracted {third parties of the transition timeline and process.} entities;
- 1566 (iv) the state board; and
- 1567 (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;} }~~

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- 1311 ~~{(e) {ensure:}}~~
- 1312 ~~{(i) {all existing scholarship accounts and funds are properly transferred to the new financial administrator:}}~~
- 1569 (a) shall ensure with full cooperation and support of the previous contracted entity:
- 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}~~
- 1575 (C) contracted entity operations; and
- 1576 (D) other essential program functions;
- 1577 (iv) if a temporary financial services provider is necessary:
- 1578 (A) the provider's compliance with program requirements;
- 1579 (B) proper processing of scholarship payments; and
- 1580 (C) appropriate separation of duties is maintained between the provider and the Department of Operations;
- 1582 (v) preservation of all program data and records for transfer to new contracted entities; and
- 1584 (vi) continuation of necessary reporting and compliance activities;
- 1585 (b) may not:
- 1586 (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:}}~~
- 1588 (iii) directly handle or process any scholarship funds; and
- 1589 (c) shall maintain the program's operational independence from governmental control.
- 1590 (4) The Department of Operations' temporary bridge program administrator role:
- 1591 (a) is limited to maintaining essential program functions;
- 1592 (b) may not extend beyond the minimum time necessary to complete the procurement process;

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- 1594 (c) does not constitute ongoing program management or operations;
1595 (d) shall be performed solely to maintain program continuity during the transition to a new program manager; and
1597 (e) shall terminate immediately upon the new program manager assuming the duties of a program manager.
- 1325 ~~{(4)}~~ (5) All contracts, agreements, and obligations ~~{previously entered into by}~~ with 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, modification, or {modification} termination; and
1330 (c) if necessary, be transferred to {the} appropriate {entity} entities as {the Department of Operations determines} determined through the procurement process.
- 1332 ~~{(5)}~~ (6) ~~{The previous program manager shall cease any marketing or other communications to potential or current scholarship students and parents}~~ Upon selection and awarding of a {scholarship student unless} new contract to a contracted entity, the Department of Operations {expressly approves the marketing or communication.} shall:
- 1608 (a) facilitate an orderly transfer of all relevant program operations, records, and data;
1609 (b) ensure the new contracted entity is prepared to assume all relevant program responsibilities; and
1611 (c) except for contract administrator duties, terminate all temporary administrative duties.
1612 (7) During the transition period:
1613 (a) if a temporary financial services provider is necessary:
1614 (i) the provider shall process all program payments and maintain all scholarship accounts;
1616 (ii) the Department of Operations may not directly handle or process any scholarship funds; and
1618 (iii) the temporary financial services provider shall receive the portion of administrative funds necessary for financial operations;
- 1620 (b) the state board shall:
1621 (i) allocate administrative funds as directed by the Department of Operations to:
1622 (A) the temporary financial services provider for financial operations; and
1623 (B) other contracted entities continuing to perform program functions; and
1624 (ii) ensure the total administrative costs do not exceed the limit in Subsection 53F-6-411(3)(a)(i); and

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- 1626 (c) the Department of Operations:
1627 (i) shall maintain detailed accounting of all transition period administrative expenditures;
1629 (ii) shall report transition period expenditures to the state board;
1630 (iii) may not directly handle scholarship funds or accounts; and
1631 (iv) shall ensure proper separation between program administration and financial operations is
maintained throughout the transition period.
- 1633 (8) Any unexpended administrative funds at the end of the transition period shall:
1634 (a) transfer to the newly contracted entities upon completion of the procurement process; or
1636 (b) return to the restricted account described in Section 53F-6-411 if not needed for contracted entity
operations.
- 1638 (9) Within 30 days after terminating temporary administrative duties under Subsection (6)(c), the
Department of Operations shall submit a report to the Executive Appropriations Committee that
includes:
- 1641 (a) a summary of actions taken during the transition period;
1642 (b) an accounting of all expenditures made during the transition period;
1643 (c) confirmation that all program operations, records, and data have been properly transferred to new
contracted entities; and
1645 (d) verification that all temporary administrative duties have been terminated.

1646 Section 16. Section **16** is enacted to read:

1647 **53F-6-416. (Effective upon governor's approval) Students with special needs.**

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

1652 Section 17. Section **17** is enacted to read:

1653 **53F-6-417. (Effective upon governor's approval) Appeals process for denied**

reimbursements.

In accordance with required program administration the program manager shall:

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

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(2) ~~{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)

(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

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- (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 (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)

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- (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 (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.

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- 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 (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.

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- 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 (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

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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 (a) the school with attendance boundaries within which the student's custodial parent resides, if, for an interscholastic competition of athletic teams, the student did not initially establish the student's eligibility at another public school in grade 9 or 10;

1528 (b) the public school from which the student withdrew for the purpose of attending a charter school; or

1530 (c) a public school that is not a charter school if the student's charter school is located on the campus of the public school or has local school board approval to locate on the campus of the public school.

1533 (3) In addition to the public schools listed in Subsection (2), the state board may establish rules to allow a charter school student to participate in an extracurricular activity at a public school other than a public school listed in Subsection (2).

1536 (4) A school other than a school described in Subsection (2) may allow a charter school student to participate in an extracurricular activity a public school sponsors and supports if:

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- (a) for interschool competitions of athletic teams, the charter school student meets the initial establishment of eligibility requirements;
- 1541 (b) for interschool contests or competitions for music, drama, or forensic groups or teams, the charter school student meets the entry requirements for participation;
- 1543 (c) the charter school student meets the eligibility requirements under this section; and
- 1544 (d) the charter school student meets the enrollment requirements for public school in accordance with Part 4, School District Enrollment.
- 1546 (5) A charter school student is eligible for an extracurricular activity at a public school consistent with eligibility standards as applied to full-time students of the public school.
- 1548 (6) A school district or a public school may not impose additional requirements on a charter school student to participate in an extracurricular activity that are not imposed on full-time students of the public school.
- 1551 (7)
- (a) The state board shall make rules establishing fees for charter school students' participation in an extracurricular activity at school district schools.
- 1553 (b) The rules shall provide that:
- 1554 (i) charter school students pay the same fees as other students to participate in an extracurricular activity;
- 1556 (ii) charter school students are eligible for fee waivers pursuant to Section 53G-7-504;
- 1557 (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.

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1571 (9) Any liability coverage provided to a student under this section also applies to a scholarship student
1572 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 (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.

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- 1605 (b)
- 1606 (i) The information described in Subsection (4)(a) shall include:
- 1607 (A) the eligibility requirements, if any, to receive the coverage;
- 1608 (B) the basic nature of the coverage for a school district employee, including what is not covered;
- 1609 and
- 1610 (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:
- 1614 (I) the coverage described in Subsection (4)(a); and
- 1615 (II) other coverage the risk manager knows is commonly available to a school district employee in this state; and
- 1616 (B) any other information the risk manager considers appropriate.
- 1617 (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.
- 1618 (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.
- 1619 (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.
- 1620 (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.
- 1621 ~~{Section 20. Section 63A-4-204.5 is amended to read: }~~
- 1622 **63A-4-204.5. Charter school participation in Risk Management Fund.**
- 1623 (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.

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- 1639 (2) Each charter school participating in the Risk Management Fund shall comply with Section
63A-4-103.
- 1639 (3)
- 1642 (a) Each year, the risk manager shall prepare, in writing, the information required by Subsection (3)(b)
1644 regarding the coverage against legal liability provided a charter school employee of this state:
1645 (i) by the Risk Management Fund or any captive insurance company created by the risk manager;
1647 (ii) under Title 63G, Chapter 7, Governmental Immunity Act of Utah; and
1648 (iii) under Title 52, Chapter 6, Reimbursement of Legal Fees and Costs to Officers and Employees
1649 Act.
- 1647 (b)
- 1648 (i) The information described in Subsection (3)(a) shall include:
- 1649 (A) the eligibility requirements, if any, to receive the coverage;
- 1651 (B) the basic nature of the coverage for a charter school employee, including what is not covered;
and
- 1654 (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:
- 1655 (A) comparisons 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.
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(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.

1659 Section 18. **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.

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