

School Digital Materials Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Nicholeen P. Peck

Senate Sponsor: Keven J. Stratton

LONG TITLE**General Description:**

This bill amends and enacts provisions regarding the accessibility of sensitive material through digital instructional material in a school setting.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the state auditor to establish and oversee a digital materials regulator (regulator), including reporting on the actions of the regulator to the Education Interim Committee;
- ▶ requires the regulator to:
 - investigate allegations regarding sensitive material in digital instructional materials;
 - impose a fine on a vendor that provides digital access to sensitive material in a school setting; and
 - make recommendations regarding the termination of contracts with fined vendors;
- ▶ includes information regarding sensitive material in the information the state board provides through a certain parent portal;
- ▶ allows the regulator to initiate a sensitive material review in any local education agency (LEA);
- ▶ requires the state board to report alleged sensitive material violations involving digital instructional material that a vendor provides to the regulator;
- ▶ requires each LEA to:
 - provide certain information to parents at the time of student registration each year; and
 - maintain a section on the homepage of the LEA's website regarding sensitive material reporting;
- ▶ allows the state board, an LEA, or the Utah Education and Telehealth Network (UETN) to rescind certain contracts if a vendor does not remove access to digital sensitive material;
- ▶ requires the state board, an LEA, or UETN to:

- 31 • provide certain notice to each vendor with which the entity contracts to provide digital
 32 instructional material in a school setting; and
 33 • ensure that any database or device which a student may access uses a filter or other
 34 software to prohibit access to sensitive material; and
 35 ▸ makes technical and conforming changes.

36 **Money Appropriated in this Bill:**

37 None

38 **Other Special Clauses:**

39 This bill provides a special effective date.

40 **Utah Code Sections Affected:**

41 AMENDS:

42 **53E-1-201**, as last amended by Laws of Utah 2024, Chapters 3, 460 and 525

43 **53G-6-806**, as last amended by Laws of Utah 2024, Chapter 21

44 **53G-10-103**, as last amended by Laws of Utah 2024, Chapter 318

45 **67-3-1**, as last amended by Laws of Utah 2024, Chapters 3, 158

46 ENACTS:

47 **67-3-14**, Utah Code Annotated 1953

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

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

51 **53E-1-201 . Reports to and action required of the Education Interim Committee.**

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

- 54 (a) the report described in Section 9-22-109 by the STEM Action Center Board,
 55 including the information described in Section 9-22-113 on the status of the computer
 56 science initiative and Section 9-22-114 on the Computing Partnerships Grants
 57 Program;
- 58 (b) the prioritized list of data research described in Section 53B-33-302 and the report on
 59 research and activities described in Section 53B-33-304 by the Utah Data Research
 60 Center;
- 61 (c) the report described in Section 53B-1-402 by the Utah Board of Higher Education on
 62 career and technical education issues and addressing workforce needs;
- 63 (d) the annual report of the Utah Board of Higher Education described in Section
 64 53B-1-402;

- 65 (e) the reports described in Section 53B-28-401 by the Utah Board of Higher Education
66 regarding activities related to campus safety;
- 67 (f) the State Superintendent's Annual Report by the state board described in Section
68 53E-1-203;
- 69 (g) the annual report described in Section 53E-2-202 by the state board on the strategic
70 plan to improve student outcomes;
- 71 (h) the report described in Section 53E-8-204 by the state board on the Utah Schools for
72 the Deaf and the Blind;
- 73 (i) the report described in Section 53E-10-703 by the Utah Leading through Effective,
74 Actionable, and Dynamic Education director on research and other activities;
- 75 (j) the report described in Section 53F-2-522 regarding mental health screening
76 programs;
- 77 (k) the report described in Section 53F-4-203 by the state board and the independent
78 evaluator on an evaluation of early interactive reading software;
- 79 (l) the report described in Section 63N-20-107 by the Governor's Office of Economic
80 Opportunity on UPSTART;
- 81 (m) the reports described in Sections 53F-5-214 and 53F-5-215 by the state board
82 related to grants for professional learning and grants for an elementary teacher
83 preparation assessment;
- 84 (n) upon request, the report described in Section 53F-5-219 by the state board on the
85 Local Innovations Civics Education Pilot Program;
- 86 (o) the report described in Section 53F-5-405 by the state board regarding an evaluation
87 of a partnership that receives a grant to improve educational outcomes for students
88 who are low income;
- 89 (p) the report described in Section 53B-35-202 regarding the Higher Education and
90 Corrections Council;
- 91 (q) the report described in Section 53G-7-221 by the state board regarding innovation
92 plans;
- 93 (r) the reports described in Section 53F-6-412 regarding the Utah Fits All Scholarship
94 Program[-] ; and
- 95 (s) the report described in Section 67-3-1 from the state auditor regarding the digital
96 materials regulator.
- 97 (2) In accordance with applicable provisions and Section 68-3-14, the following occasional
98 reports are due to the Education Interim Committee:

- 99 (a) in 2027, 2030, 2033, and 2035, the reports described in Sections 53B-1-116,
100 53B-1-117, and 53B-1-118;
- 101 (b) if required, the report described in Section 53E-4-309 by the state board explaining
102 the reasons for changing the grade level specification for the administration of
103 specific assessments;
- 104 (c) if required, the report described in Section 53E-5-210 by the state board of an
105 adjustment to the minimum level that demonstrates proficiency for each statewide
106 assessment;
- 107 (d) the report described in Section 53E-10-702 by Utah Leading through Effective,
108 Actionable, and Dynamic Education;
- 109 (e) if required, the report described in Section 53F-2-513 by the state board evaluating
110 the effects of salary bonuses on the recruitment and retention of effective teachers in
111 high poverty schools;
- 112 (f) upon request, a report described in Section 53G-7-222 by an LEA regarding
113 expenditure of a percentage of state restricted funds to support an innovative
114 education program;
- 115 (g) the reports described in Section 53G-11-304 by the state board regarding proposed
116 rules and results related to educator exit surveys; and
- 117 (h) the report described in Section 26B-5-113 by the Office of Substance Use and
118 Mental Health, the state board, and the Department of Health and Human Services
119 regarding recommendations related to Medicaid reimbursement for school-based
120 health services.

121 Section 2. Section **53G-6-806** is amended to read:

122 **53G-6-806 . Parent portal.**

- 123 (1) As used in this section:
- 124 (a) "Parent portal" means the posting the state board is required to provide under this
125 section.
- 126 (b) "School" means a public elementary or secondary school, including a charter school.
- 127 (2)(a) The state board shall post information that allows a parent of a student enrolled in
128 a school to:
- 129 (i) access an LEA's policies required by Sections 53G-9-203 and 53G-9-605;
- 130 (ii) be informed of resources and steps to follow when a student has been the subject,
131 perpetrator, or bystander of bullying, cyber-bullying, hazing, retaliation, or
132 abusive conduct such as:

- 133 (A) resources for the student, including short-term mental health services;
 134 (B) options for the student to make changes to the student's educational
 135 environment;
 136 (C) options for alternative school enrollment;
 137 (D) options for differentiated start or stop times;
 138 (E) options for differentiated exit and entrance locations; and
 139 (F) the designated employee for an LEA who addresses incidents of bullying,
 140 cyber-bullying, hazing, retaliation, and abusive conduct;
- 141 (iii) be informed of the steps and resources for filing a grievance with a school or
 142 LEA regarding bullying, cyber-bullying, hazing, or retaliation;
- 143 (iv) be informed of the steps and resources for seeking accommodations under the
 144 Americans with Disabilities Act of 1990, 42 U.S.C. sec. 12101 et seq;
- 145 (v) be informed of the steps and resources for seeking accommodations under state or
 146 federal law regarding religious accommodations;
- 147 (vi) receive information regarding the reporting of sensitive material, as described in
 148 Section 53G-10-103;
- 149 [~~(vi)~~] (vii) be informed of the steps and resources for filing a grievance for an alleged
 150 violation of state or federal law, including:
- 151 (A) Title VI of the Civil Rights Act of 1964, 42 U.S.C. Sec. 2000d-2000d-4;
 152 (B) Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681-1688;
 153 (C) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. Sec. 794; and
 154 (D) Title II of the Americans with Disabilities Act of 1990, 42 U.S.C. Sec.
 155 12131-12165;
- 156 [~~(vii)~~] (viii) receive information about constitutional rights and freedoms afforded to
 157 families in public education;
- 158 [~~(viii)~~] (ix) be informed of how to access an internal audit hotline if established by the
 159 state board; and
- 160 [~~(ix)~~] (x) be informed of services for military families.
- 161 (b) In addition to the information required under Subsection (2)(a), the state board:
- 162 (i) shall include in the parent portal:
- 163 (A) the comparison tool created under Section 53G-6-805;
 164 (B) school level safety data, including data points described in Section 53E-3-516;
 165 and
 166 (C) a link to the public safety portal described in Section 63A-16-1002; and

167 (ii) may include in the parent portal other information that the state board determines
168 is helpful to parents.

169 (3)(a) The state board shall post the parent portal at a location that is easily located by a
170 parent.

171 (b) The state board shall update the parent portal at least annually.

172 (c) In accordance with state and federal law, the state board may collaborate with a
173 third-party to provide safety data visualization in comparison to other states' data.

174 (4) An LEA shall annually notify each of the following of how to access the parent portal:

175 (a) a parent of a student; and

176 (b) a teacher, principal, or other professional staff within the LEA.

177 Section 3. Section **53G-10-103** is amended to read:

178 **53G-10-103 . Sensitive instructional materials.**

179 (1) As used in this section:

180 (a) "Digital materials regulator" means the regulator under the oversight of the state
181 auditor in accordance with Section 67-3-14.

182 ~~[(a)]~~ (b)(i) "Instructional material" means a material, regardless of format, used:

183 (A) as or in place of textbooks to deliver curriculum within the state curriculum
184 framework for courses of study by students; or

185 (B) to support a student's learning in any school setting.

186 (ii) "Instructional material" includes reading materials, handouts, videos, digital
187 materials, websites, online applications, and live presentations.

188 (iii) "Instructional material" does not mean exclusively library materials.

189 ~~[(b)]~~ (c) "LEA governing board" means~~[:]~~ the same as that term is defined in Section
190 53E-1-102.

191 ~~[(i) for a school district, the local school board;]~~

192 ~~[(ii) for a charter school, the charter school governing board; or]~~

193 ~~[(iii) for the Utah Schools for the Deaf and the Blind, the state board.]~~

194 ~~[(e)]~~ (d) "Material" means the same as that term is defined in Section 76-10-1201.

195 ~~[(d)]~~ (e) "Minor" means any person less than 18 years old.

196 ~~[(e)]~~ (f) "Objective sensitive material" means an instructional material that constitutes
197 pornographic or indecent material, as that term is defined in Section 76-10-1235,
198 under the non-discretionary standards described in Subsection 76-10-1227(1)(a)(i),
199 (ii), or (iii).

200 ~~[(f)]~~ (g) "Public school" means:

- 201 (i) a district school;
- 202 (ii) a charter school; or
- 203 (iii) the Utah Schools for the Deaf and the Blind.
- 204 ~~(g)~~ (h)(i) "School setting" means, for a public school:
- 205 (A) in a classroom;
- 206 (B) in a school library; or
- 207 (C) on school property.
- 208 (ii) "School setting" includes the following activities that an organization or
- 209 individual or organization outside of a public school conducts, if a public school
- 210 or an LEA sponsors or requires the activity:
- 211 (A) an assembly;
- 212 (B) a guest lecture;
- 213 (C) a live presentation; or
- 214 (D) an event.
- 215 ~~(h)~~ (i)(i) "Sensitive material" means an instructional material that constitutes
- 216 objective sensitive material or subjective sensitive material.
- 217 (ii) "Sensitive material" does not include an instructional material:
- 218 (A) that an LEA selects under Section 53G-10-402;
- 219 (B) for a concurrent enrollment course that contains sensitive material and for
- 220 which a parent receives notice from the course provider of the material before
- 221 enrollment of the parent's child and gives the parent's consent by enrolling the
- 222 parent's child;
- 223 (C) for medical courses;
- 224 (D) for family and consumer science courses; or
- 225 (E) for another course the state board exempts in state board rule.
- 226 (iii) "Subjective sensitive material" means an instructional material that constitutes
- 227 pornographic or indecent material, as that term is defined in Section 76-10-1235,
- 228 under the following factor-balancing standards:
- 229 (A) material that is harmful to minors under Section 76-10-1201;
- 230 (B) material that is pornographic under Section 76-10-1203; or
- 231 (C) material that includes certain fondling or other erotic touching under
- 232 Subsection 76-10-1227(1)(a)(iv).
- 233 (j) "UETN" means the Utah Education and Telehealth Network, created in Section
- 234 53B-17-105.

- 235 (k) "Vendor" means the same as that term is defined in Section 67-3-14.
- 236 (2)(a) Sensitive materials are prohibited in the school setting.
- 237 (b) A public school or an LEA may not:
- 238 (i) adopt, use, distribute, provide a student access to, or maintain in the school setting,
- 239 sensitive materials; or
- 240 (ii) permit a speaker or presenter in the school setting to display or distribute
- 241 sensitive materials.
- 242 (c) In evaluating, selecting, or otherwise considering action related to a given
- 243 instructional material under this section, each public school and each LEA shall
- 244 prioritize protecting children from the harmful effects of illicit pornography over
- 245 other considerations in evaluating instructional material.
- 246 (d) If an instructional material constitutes objective sensitive material:
- 247 (i) a public school or an LEA is not required to engage in a review under a subjective
- 248 sensitive material standard; and
- 249 (ii) the outcome of a subjective sensitive material evaluation has no bearing on the
- 250 non-discretionary objective sensitive material conclusion.
- 251 (3)(a) Except as provided in Subsection (3)(b), the following individuals may initiate a
- 252 sensitive material review under this section:
- 253 (i) an employee of the relevant LEA;
- 254 (ii) a student who is enrolled in the relevant LEA;
- 255 (iii) a parent of a child who is enrolled in the relevant LEA;~~[-or]~~
- 256 (iv) a member of the relevant LEA governing board~~[-]~~ ; or
- 257 (v) the digital materials regulator.
- 258 (b)(i) As used in this Subsection (3)(b), "unsuccessful challenge" means an allegation
- 259 that a given instructional material constitutes sensitive material that the LEA
- 260 concludes to be erroneous, either on direct review or on appeal to the LEA
- 261 governing board, resulting in the retention of the given instructional material.
- 262 (ii) Notwithstanding Subsection (3)(a), after an individual makes three unsuccessful
- 263 challenges during a given academic year, the individual may not trigger a
- 264 sensitive material review under this section during the remainder of the given
- 265 academic year.
- 266 (4) Upon receipt of an allegation from an individual described in Subsection (3)(a), an LEA
- 267 shall:
- 268 (a)(i) make an initial determination as to whether the allegation presents a plausible

- 269 claim that the challenged instructional material constitutes sensitive material,
270 including whether the allegation includes excerpts and other evidence to support
271 the allegation; and
- 272 (ii) if the LEA determines that the allegation presents a plausible claim that the
273 challenged instructional material constitutes sensitive material under Subsection
274 (4)(a)(i), immediately remove the challenged material from any school setting that
275 provides student access to the challenged material until the LEA completes the
276 LEA's full review of the challenged material under this section;
- 277 (b)(i) engage in a review of the allegations and the challenged instructional material
278 using the objective sensitive material standards; and
- 279 (ii) if the LEA makes a determination that the challenged instructional material
280 constitutes objective sensitive material, ensure that the material remains
281 inaccessible to students in any school setting;
- 282 (c) only if the LEA makes a determination that the challenged instructional material
283 does not constitute objective sensitive material:
- 284 (i) review the allegations and the challenged instructional material under the
285 subjective material standards, ensuring that the review includes parents who are
286 reflective of the members of the school's community when determining if an
287 instructional material is subjective sensitive material;
- 288 (ii) allow student access to the challenged instructional material during the LEA's
289 subjective sensitive material review if the student's parent gives consent regarding
290 the specific challenged instructional material; and
- 291 (iii) if the LEA makes a determination that the challenged instructional material
292 constitutes subjective sensitive material, ensure that the material is inaccessible to
293 students in any school setting, including the termination of the parent consent
294 option described in Subsection (4)(c)(ii); and
- 295 (d) communicate to the state board the allegation and the LEA's final determination
296 regarding the allegation and the challenged instructional material.
- 297 (5)(a) An individual described in Subsection (3)(a) may appeal an LEA's decision
298 regarding a sensitive material review, regardless of whether the LEA removed or
299 retained the challenged instructional material, to the LEA governing board.
- 300 (b) An LEA governing board shall vote in a public board meeting to decide the outcome
301 of a sensitive material review appeal, clearly identifying:
- 302 (i) the board's rationale for the decision; and

- 303 (ii) the board's determination on each component of the statutory and any additional
304 policy standards the board uses to reach the board's conclusions.
- 305 (6) An LEA governing board may not enact rules or policies that prevent the LEA
306 governing board from:
- 307 (a) revisiting a previous decision;
- 308 (b) reviewing a recommendation of LEA personnel or a parent-related committee
309 regarding a challenged instructional material; or
- 310 (c) reconsidering a challenged instructional material if the LEA governing board
311 receives additional information regarding the material.
- 312 (7)(a) Except as provided in Subsection (7)(d), if the threshold described in Subsection
313 (7)(b) is met, each LEA statewide shall remove the relevant instructional material
314 from student access.
- 315 (b) The requirement described in Subsection (7)(a) to remove a given material from
316 student access applies if the following number of LEAs makes a determination that a
317 given instructional material constitutes objective sensitive material:
- 318 (i) at least three school districts; or
- 319 (ii) at least two school districts and five charter schools.
- 320 (c) The state board shall:
- 321 (i) aggregate allegations and LEA determinations described in Subsection (4)(d);~~and~~
- 322 (ii) report to the digital materials regulator any allegation involving material that a
323 vendor provides digitally in a school setting; and
- 324 ~~[(ii)]~~ (iii) no later than 10 school days after the day on which the condition described
325 in Subsection (7)(b) occurs, communicate to all LEAs the application of the
326 requirement described in Subsection (7)(a) to remove the material from student
327 access.
- 328 (d)(i) When the threshold described in Subsection (7)(b) is met for a given
329 instructional material, in addition to making the communication described in
330 Subsection (7)(c), the state board may:
- 331 (A) place the material on the agenda of a public board meeting within 60 days
332 after the day on which the state board makes the communication to LEAs
333 under Subsection (7)(c); and
- 334 (B) at the specified state board meeting, vote to overturn the application of the
335 requirement described in Subsection (7)(a) to remove a given material from
336 student access statewide.

- 337 (ii) If the state board votes to overturn the application of the statewide removal
338 requirement described in Subsection (7)(a) under Subsection (7)(d)(i):
339 (A) the statewide removal requirement described in Subsection (7)(a) no longer
340 applies;
341 (B) an LEA may choose to return the given material to student access; and
342 (C) nothing affects the findings of an LEA governing board regarding removal of
343 the given material within the board's LEA.
- 344 (e) This Subsection (7) applies to sensitive materials that LEAs remove from student
345 access, regardless of whether:
346 (i) the sensitive material determinations occur in the same academic year; or
347 (ii) a sensitive material determination occurred before July 1, 2024.
- 348 (8) The state board shall:
349 (a) in consultation with the Office of the Attorney General, provide guidance and
350 training to support public schools in identifying instructional materials that meet the
351 definition of sensitive materials under this section;
352 (b) establish a process through which an individual described in Subsection (3)(a) may
353 report to the state board an allegation that an LEA is out of compliance with this
354 section; and
355 (c) annually report to the Education Interim Committee, at or before the November
356 interim meeting, on implementation and compliance with this section, including:
357 (i) any policy the state board or an LEA adopts to implement or comply with this
358 section;
359 (ii) any rule the state board makes to implement or comply with this section; and
360 (iii) any complaints an LEA or the state board receives regarding a violation of this
361 section, including:
362 (A) action taken in response to a complaint described in this Subsection (8)(c)(iii);
363 (B) if an LEA retains an instructional material for which the LEA or the state
364 board receives a complaint, the LEA's rationale for retaining the instructional
365 material; and
366 (C) compliance failures that the state board identifies through the reporting
367 process described in Subsection (8)(b) and other investigations or research.
- 368 (9) The state shall defend, indemnify, and hold harmless a person acting under color of state
369 law to enforce this section for any claims or damages, including court costs and attorney
370 fees, that:

- 371 (a) a person brings or incurs as a result of this section; and
372 (b) is not covered by the person's insurance policies or any coverage agreement that the
373 State Risk Management Fund issues.
- 374 (10) Subject to prioritization of the Audit Subcommittee created in Section 36-12-8, the
375 Office of the Legislative Auditor General shall:
- 376 (a) conduct an audit of each school district's compliance with this section, ensuring the
377 completion of all school district audits before November 2028; and
378 (b) annually report to the Education Interim Committee regarding completed sensitive
379 material audits under this Subsection (10).
- 380 (11)(a) At the time of student registration each year, each LEA shall provide to parents:
381 (i) a physical copy of information regarding the process for reporting sensitive
382 material in a school setting within the LEA, including the role of the digital
383 materials regulator to investigate allegations involving digital instructional
384 material;
385 (ii) an email containing the information described in Subsection (11)(a)(i); and
386 (iii) a direct link to the LEA's website that addresses sensitive material reporting
387 described in Subsection (11)(b).
- 388 (b) Each LEA website shall maintain an easily accessible and clearly visible section on
389 the website's homepage for reporting violations of law regarding sensitive material.
- 390 (12)(a) The state board, an LEA, or UETN may refuse donations of materials by a
391 vendor or nonprofit, or, without any penalty or any further financial obligation,
392 rescind or otherwise terminate a contract for a vendor to provide instructional
393 material into which the state board, LEA, or UETN enters on or after July 1, 2025, if:
394 (i) the state board or LEA governing board determines that instructional material is or
395 contains sensitive material; and
396 (ii) within 30 school days after the day on which the state board or LEA governing
397 board provide notice of the determination described in Subsection (12)(a)(i), the
398 vendor fails to eliminate the segment of the instructional material containing the
399 sensitive material or otherwise remove access to the sensitive material.
- 400 (b) In any contract for a vendor to provide digital instructional material for which the
401 parties negotiate terms and into which the state board, an LEA, or UETN enters after
402 July 1, 2025, the state board, LEA, or UETN shall ensure that the contract contains:
403 (i) notice provisions regarding the requirements and prohibitions regarding sensitive
404 material in this section; and

- 405 (ii) provisions requiring the vendor to notify the digital materials regulator and the
 406 contracting entity of any update, modification, or addition to the instructional
 407 material the vendor provides that may contain or constitute sensitive material,
 408 including links to other material or websites from within the instructional material.
- 409 (c) The state board, an LEA, or UETN may remove a segment of digital instructional
 410 material that is found, through the processes described in this section, to contain
 411 sensitive material from the relevant curriculum.
- 412 (d) An LEA, the state board, and the Utah Education and Telehealth Network shall each:
- 413 (i) notify each vendor with which the entity contracts to provide digital instructional
 414 material in a school setting regarding:
- 415 (A) the requirements, prohibitions, and processes in this section and any relevant
 416 rule or policy of the contracting entity; and
- 417 (B) the authority and duties of the digital materials regulator under Section 67-3-14,
 418 including the potential imposition of fines for violations and the requirement to
 419 submit an annual compliance letter to the digital materials regulator; and
- 420 (ii) ensure that any device, database, or service that allows a student to access digital
 421 instructional material includes a filter or other software service that prohibits
 422 access to sensitive material.

423 Section 4. Section **67-3-1** is amended to read:

424 **67-3-1 . Functions and duties.**

- 425 (1)(a) The state auditor is the auditor of public accounts and is independent of any
 426 executive or administrative officers of the state.
- 427 (b) The state auditor is not limited in the selection of personnel or in the determination
 428 of the reasonable and necessary expenses of the state auditor's office.
- 429 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
 430 financial statements showing:
- 431 (a) the condition of the state's finances;
- 432 (b) the revenues received or accrued;
- 433 (c) expenditures paid or accrued;
- 434 (d) the amount of unexpended or unencumbered balances of the appropriations to the
 435 agencies, departments, divisions, commissions, and institutions; and
- 436 (e) the cash balances of the funds in the custody of the state treasurer.
- 437 (3)(a) The state auditor shall:
- 438 (i) audit each permanent fund, each special fund, the General Fund, and the accounts

- 439 of any department of state government or any independent agency or public
440 corporation as the law requires, as the auditor determines is necessary, or upon
441 request of the governor or the Legislature;
- 442 (ii) perform the audits in accordance with generally accepted auditing standards and
443 other auditing procedures as promulgated by recognized authoritative bodies; and
444 (iii) as the auditor determines is necessary, conduct the audits to determine:
- 445 (A) honesty and integrity in fiscal affairs;
446 (B) accuracy and reliability of financial statements;
447 (C) effectiveness and adequacy of financial controls; and
448 (D) compliance with the law.
- 449 (b) If any state entity receives federal funding, the state auditor shall ensure that the
450 audit is performed in accordance with federal audit requirements.
- 451 (c)(i) The costs of the federal compliance portion of the audit may be paid from an
452 appropriation to the state auditor from the General Fund.
- 453 (ii) If an appropriation is not provided, or if the federal government does not
454 specifically provide for payment of audit costs, the costs of the federal compliance
455 portions of the audit shall be allocated on the basis of the percentage that each
456 state entity's federal funding bears to the total federal funds received by the state.
- 457 (iii) The allocation shall be adjusted to reflect any reduced audit time required to
458 audit funds passed through the state to local governments and to reflect any
459 reduction in audit time obtained through the use of internal auditors working
460 under the direction of the state auditor.
- 461 (4)(a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
462 financial audits, and as the auditor determines is necessary, conduct performance and
463 special purpose audits, examinations, and reviews of any entity that receives public
464 funds, including a determination of any or all of the following:
- 465 (i) the honesty and integrity of all the entity's fiscal affairs;
466 (ii) whether the entity's administrators have faithfully complied with legislative intent;
467 (iii) whether the entity's operations have been conducted in an efficient, effective, and
468 cost-efficient manner;
469 (iv) whether the entity's programs have been effective in accomplishing the intended
470 objectives; and
471 (v) whether the entity's management, control, and information systems are adequate,
472 effective, and secure.

- 473 (b) The auditor may not conduct performance and special purpose audits, examinations,
474 and reviews of any entity that receives public funds if the entity:
475 (i) has an elected auditor; and
476 (ii) has, within the entity's last budget year, had the entity's financial statements or
477 performance formally reviewed by another outside auditor.
- 478 (5) The state auditor:
- 479 (a) shall administer any oath or affirmation necessary to the performance of the duties of
480 the auditor's office; and
- 481 (b) may:
- 482 (i) subpoena witnesses and documents, whether electronic or otherwise; and
483 (ii) examine into any matter that the auditor considers necessary.
- 484 (6) The state auditor may require all persons who have had the disposition or management
485 of any property of this state or its political subdivisions to submit statements regarding
486 the property at the time and in the form that the auditor requires.
- 487 (7) The state auditor shall:
- 488 (a) except where otherwise provided by law, institute suits in Salt Lake County in
489 relation to the assessment, collection, and payment of revenues against:
- 490 (i) persons who by any means have become entrusted with public money or property
491 and have failed to pay over or deliver the money or property; and
492 (ii) all debtors of the state;
- 493 (b) collect and pay into the state treasury all fees received by the state auditor;
- 494 (c) perform the duties of a member of all boards of which the state auditor is a member
495 by the constitution or laws of the state, and any other duties that are prescribed by the
496 constitution and by law;
- 497 (d) stop the payment of the salary of any state official or state employee who:
- 498 (i) refuses to settle accounts or provide required statements about the custody and
499 disposition of public funds or other state property;
- 500 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
501 board or department head with respect to the manner of keeping prescribed
502 accounts or funds; or
- 503 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
504 official's or employee's attention;
- 505 (e) establish accounting systems, methods, and forms for public accounts in all taxing or
506 fee-assessing units of the state in the interest of uniformity, efficiency, and economy;

- 507 (f) superintend the contractual auditing of all state accounts;
- 508 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of
509 property taxes from a state or local taxing or fee-assessing unit, if necessary, to
510 ensure that officials and employees in those taxing units comply with state laws and
511 procedures in the budgeting, expenditures, and financial reporting of public funds;
- 512 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
513 if necessary, to ensure that officials and employees in the county comply with
514 Section 59-2-303.1; and
- 515 (i) withhold state allocated funds or the disbursement of property taxes from a local
516 government entity or a limited purpose entity, as those terms are defined in Section
517 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity
518 registers and maintains the entity's registration with the lieutenant governor, in
519 accordance with Section 67-1a-15.
- 520 (8)(a) Except as otherwise provided by law, the state auditor may not withhold funds
521 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received
522 formal written notice of noncompliance from the auditor and has been given 60 days
523 to make the specified corrections.
- 524 (b) If, after receiving notice under Subsection (8)(a), a state or independent local
525 fee-assessing unit that exclusively assesses fees has not made corrections to comply
526 with state laws and procedures in the budgeting, expenditures, and financial reporting
527 of public funds, the state auditor:
- 528 (i) shall provide a recommended timeline for corrective actions;
- 529 (ii) may prohibit the state or local fee-assessing unit from accessing money held by
530 the state; and
- 531 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
532 account of a financial institution by filing an action in a court with jurisdiction
533 under Title 78A, Judiciary and Judicial Administration, requesting an order of the
534 court to prohibit a financial institution from providing the fee-assessing unit
535 access to an account.
- 536 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b)
537 upon compliance with state laws and procedures in the budgeting, expenditures, and
538 financial reporting of public funds.
- 539 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with
540 state law, the state auditor:

- 541 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
542 comply;
- 543 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
544 state; and
- 545 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
546 account of a financial institution by:
- 547 (A) contacting the taxing or fee-assessing unit's financial institution and
548 requesting that the institution prohibit access to the account; or
- 549 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
550 Judicial Administration, requesting an order of the court to prohibit a financial
551 institution from providing the taxing or fee-assessing unit access to an account.
- 552 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law,
553 the state auditor shall eliminate a limitation on accessing funds described in
554 Subsection (8)(d).
- 555 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
556 received formal written notice of noncompliance from the auditor and has been given 60
557 days to make the specified corrections.
- 558 (10)(a) The state auditor may not withhold funds under Subsection (7)(i) until the state
559 auditor receives a notice of non-registration, as that term is defined in Section
560 67-1a-15.
- 561 (b) If the state auditor receives a notice of non-registration, the state auditor may
562 prohibit the local government entity or limited purpose entity, as those terms are
563 defined in Section 67-1a-15, from accessing:
- 564 (i) money held by the state; and
- 565 (ii) money held in an account of a financial institution by:
- 566 (A) contacting the entity's financial institution and requesting that the institution
567 prohibit access to the account; or
- 568 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
569 Judicial Administration, requesting an order of the court to prohibit a financial
570 institution from providing the entity access to an account.
- 571 (c) The state auditor shall remove the prohibition on accessing funds described in
572 Subsection (10)(b) if the state auditor received a notice of registration, as that term is
573 defined in Section 67-1a-15, from the lieutenant governor.
- 574 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state

- 575 auditor:
- 576 (a) shall authorize a disbursement by a local government entity or limited purpose entity,
577 as those terms are defined in Section 67-1a-15, or a state or local taxing or
578 fee-assessing unit if the disbursement is necessary to:
- 579 (i) avoid a major disruption in the operations of the local government entity, limited
580 purpose entity, or state or local taxing or fee-assessing unit; or
581 (ii) meet debt service obligations; and
- 582 (b) may authorize a disbursement by a local government entity, limited purpose entity,
583 or state or local taxing or fee-assessing unit as the state auditor determines is
584 appropriate.
- 585 (12)(a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take
586 temporary custody of public funds if an action is necessary to protect public funds
587 from being improperly diverted from their intended public purpose.
- 588 (b) If the state auditor seeks relief under Subsection (12)(a):
- 589 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8);
590 and
- 591 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if
592 a court orders the public funds to be protected from improper diversion from their
593 public purpose.
- 594 (13) The state auditor shall:
- 595 (a) establish audit guidelines and procedures for audits of local mental health and
596 substance abuse authorities and their contract providers, conducted pursuant to Title
597 17, Chapter 43, Part 2, Local Substance Abuse Authorities, Title 17, Chapter 43, Part
598 3, Local Mental Health Authorities, Title 26B, Chapter 5, Health Care - Substance
599 Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports from Political
600 Subdivisions, Interlocal Organizations, and Other Local Entities Act; and
- 601 (b) ensure that those guidelines and procedures provide assurances to the state that:
- 602 (i) state and federal funds appropriated to local mental health authorities are used for
603 mental health purposes;
- 604 (ii) a private provider under an annual or otherwise ongoing contract to provide
605 comprehensive mental health programs or services for a local mental health
606 authority is in compliance with state and local contract requirements and state and
607 federal law;
- 608 (iii) state and federal funds appropriated to local substance abuse authorities are used

- 609 for substance abuse programs and services; and
- 610 (iv) a private provider under an annual or otherwise ongoing contract to provide
- 611 comprehensive substance abuse programs or services for a local substance abuse
- 612 authority is in compliance with state and local contract requirements, and state and
- 613 federal law.
- 614 (14)(a) The state auditor may, in accordance with the auditor's responsibilities for
- 615 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting
- 616 Reports from Political Subdivisions, Interlocal Organizations, and Other Local
- 617 Entities Act, initiate audits or investigations of any political subdivision that are
- 618 necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability
- 619 of financial statements, effectiveness, and adequacy of financial controls and
- 620 compliance with the law.
- 621 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the
- 622 Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor
- 623 may initiate an audit or investigation of the public entity subject to the notice to
- 624 determine compliance with Section 11-41-103.
- 625 (15)(a) The state auditor may not audit work that the state auditor performed before
- 626 becoming state auditor.
- 627 (b) If the state auditor has previously been a responsible official in state government
- 628 whose work has not yet been audited, the Legislature shall:
- 629 (i) designate how that work shall be audited; and
- 630 (ii) provide additional funding for those audits, if necessary.
- 631 (16) The state auditor shall:
- 632 (a) with the assistance, advice, and recommendations of an advisory committee
- 633 appointed by the state auditor from among special district boards of trustees, officers,
- 634 and employees and special service district boards, officers, and employees:
- 635 (i) prepare a Uniform Accounting Manual for Special Districts that:
- 636 (A) prescribes a uniform system of accounting and uniform budgeting and
- 637 reporting procedures for special districts under Title 17B, Limited Purpose
- 638 Local Government Entities - Special Districts, and special service districts
- 639 under Title 17D, Chapter 1, Special Service District Act;
- 640 (B) conforms with generally accepted accounting principles; and
- 641 (C) prescribes reasonable exceptions and modifications for smaller districts to the
- 642 uniform system of accounting, budgeting, and reporting;

- 643 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to
644 reflect generally accepted accounting principles;
- 645 (iii) conduct a continuing review and modification of procedures in order to improve
646 them;
- 647 (iv) prepare and supply each district with suitable budget and reporting forms; and
648 (v)(A) prepare instructional materials, conduct training programs, and render other
649 services considered necessary to assist special districts and special service
650 districts in implementing the uniform accounting, budgeting, and reporting
651 procedures; and
652 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with
653 Title 63G, Chapter 22, State Training and Certification Requirements; and
654 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
655 and experiences of specific special districts and special service districts selected by
656 the state auditor and make the information available to all districts.
- 657 (17)(a) The following records in the custody or control of the state auditor are protected
658 records under Title 63G, Chapter 2, Government Records Access and Management
659 Act:
- 660 (i) records that would disclose information relating to allegations of personal
661 misconduct, gross mismanagement, or illegal activity of a past or present
662 governmental employee if the information or allegation cannot be corroborated by
663 the state auditor through other documents or evidence, and the records relating to
664 the allegation are not relied upon by the state auditor in preparing a final audit
665 report;
- 666 (ii) records and audit workpapers to the extent the workpapers would disclose the
667 identity of an individual who during the course of an audit, communicated the
668 existence of any waste of public funds, property, or manpower, or a violation or
669 suspected violation of a law, rule, or regulation adopted under the laws of this
670 state, a political subdivision of the state, or any recognized entity of the United
671 States, if the information was disclosed on the condition that the identity of the
672 individual be protected;
- 673 (iii) before an audit is completed and the final audit report is released, records or
674 drafts circulated to an individual who is not an employee or head of a
675 governmental entity for the individual's response or information;
- 676 (iv) records that would disclose an outline or part of any audit survey plans or audit

- 677 program; and
- 678 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 679 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure
680 of records or information that relate to a violation of the law by a governmental entity
681 or employee to a government prosecutor or peace officer.
- 682 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to
683 the state auditor to classify a document as public, private, controlled, or protected
684 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 685 (d)(i) As used in this Subsection (17)(d), "record dispute" means a dispute between
686 the state auditor and the subject of an audit performed by the state auditor as to
687 whether the state auditor may release a record, as defined in Section 63G-2-103,
688 to the public that the state auditor gained access to in the course of the state
689 auditor's audit but which the subject of the audit claims is not subject to disclosure
690 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 691 (ii) The state auditor may submit a record dispute to the State Records Committee,
692 created in Section 63G-2-501, for a determination of whether the state auditor
693 may, in conjunction with the state auditor's release of an audit report, release to
694 the public the record that is the subject of the record dispute.
- 695 (iii) The state auditor or the subject of the audit may seek judicial review of a State
696 Records Committee determination under Subsection (17)(d)(ii), as provided in
697 Section 63G-2-404.
- 698 (18) If the state auditor conducts an audit of an entity that the state auditor has previously
699 audited and finds that the entity has not implemented a recommendation made by the
700 state auditor in a previous audit, the state auditor shall notify the Legislative
701 Management Committee through the Legislative Management Committee's audit
702 subcommittee that the entity has not implemented that recommendation.
- 703 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state
704 privacy officer described in Section 67-3-13.
- 705 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that
706 another government entity reports, on the financial, operational, and performance
707 metrics for the state system of higher education and the state system of public education,
708 including metrics in relation to students, programs, and schools within those systems.
- 709 (21)(a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:
710 (i) the scholarship granting organization for the Carson Smith Opportunity

- 711 Scholarship Program, created in Section 53E-7-402;
- 712 (ii) the State Board of Education for the Carson Smith Scholarship Program, created
713 in Section 53F-4-302; and
- 714 (iii) the scholarship program manager for the Utah Fits All Scholarship Program,
715 created in Section 53F-6-402, including an analysis of the cost effectiveness of the
716 program, taking into consideration the amount of the scholarship and the amount
717 of state and local funds dedicated on a per-student basis within the traditional
718 public education system.
- 719 (b) Nothing in this subsection limits or impairs the authority of the State Board of
720 Education to administer the programs described in Subsection (21)(a).
- 721 (22) The state auditor shall, based on the information posted by the Office of Legislative
722 Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track
723 and post the following information on the state auditor's website:
- 724 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);
725 (b) an indication regarding whether the policy is timely adopted, adopted late, or not
726 adopted;
- 727 (c) an indication regarding whether the policy complies with the requirements
728 established by law for the policy; and
- 729 (d) a link to the policy.
- 730 (23)(a) A legislator may request that the state auditor conduct an inquiry to determine
731 whether a government entity, government official, or government employee has
732 complied with a legal obligation directly imposed, by statute, on the government
733 entity, government official, or government employee.
- 734 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct
735 the inquiry requested.
- 736 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state
737 auditor shall post the results of the inquiry on the state auditor's website.
- 738 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple
739 determination, without conducting an audit, regarding whether the obligation was
740 fulfilled.
- 741 (24) The state auditor shall:
- 742 (a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in
743 accordance with Section 63G-31-401; and
- 744 (b) report to the Legislative Management Committee, upon request, regarding the state

745 auditor's actions under this Subsection (24).

746 (25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and
747 67-27-109 by:

- 748 (a) establishing a process to receive and audit each alleged violation; and
- 749 (b) reporting to the Legislative Management Committee, upon request, regarding the
750 state auditor's findings and recommendations under this Subsection (25).

751 (26) The state auditor shall:

- 752 (a) establish and oversee a digital materials regulator, in accordance with Section 67-3-14;
- 753 (b) establish the compensation of the digital materials regulator and any other staff the
754 state auditor deems necessary to fulfill the role of the digital materials regulator;
- 755 (c) review the actions of the digital materials regulator; and
- 756 (d) annually report regarding the digital materials regulator to the Education Interim
757 Committee.

758 Section 5. Section **67-3-14** is enacted to read:

759 **67-3-14 . Digital materials regulator.**

760 (1) As used in this section:

- 761 (a) "Instructional material" means the same as that term is defined in Section 53G-10-103.
- 762 (b) "LEA" means the same as that term is defined in Section 53E-1-102.
- 763 (c) "Regulator" means the digital materials regulator the state auditor establishes under
764 this section.
- 765 (d) "School setting" means the same as that term is defined in Section 53G-10-102.
- 766 (e) "Sensitive material" means the same as that term is defined in Section 53G-10-103.
- 767 (f) "State board" means the State Board of Education.
- 768 (g) "Vendor" means an entity that provides instructional material to students in a school
769 setting:
 - 770 (i) under a contract with the state board, an LEA, or the Utah Education and
771 Telehealth Network; or
 - 772 (ii) through donating instructional material.

773 (2) The state auditor shall establish a digital materials regulator to oversee compliance with
774 state laws governing sensitive material in a school setting, including the marketing and
775 sale of sensitive material to minors through educational resources.

776 (3) The regulator shall:

- 777 (a) investigate reports of, through digital instructional material in a school setting:
 - 778 (i) the marketing of sensitive material to minors; and

- 779 (ii) the availability of sensitive material to minors in school databases or other
780 educational resources;
- 781 (b) conduct research;
- 782 (c)(i) impose a fine of \$10,000 per day per item of sensitive material in accordance
783 with Subsection (4); and
- 784 (ii) deposit any fee the regulator collects under Subsection (3)(c)(i) into the Uniform
785 School Fund;
- 786 (d) make recommendations to LEA governing boards and the state board for the
787 termination of contracts with vendors with three or more fines under Subsection (3)(c);
788 and
- 789 (e) refer alleged violations of Title 76, Chapter 10, Part 12, Pornographic and Harmful
790 Materials and Performances, regarding sensitive material in a school setting to
791 relevant law enforcement agencies.
- 792 (4) A vendor is subject to a fine of \$10,000 per day for each item of sensitive material that a
793 vendor makes accessible to a minor through digital instructional material in a school
794 setting.
- 795 (5) A vendor shall submit an annual compliance letter, before August 1 of each year,
796 affirming understanding of and compliance with Section 53G-10-103.
- 797 Section 6. **Effective Date.**
- 798 This bill takes effect on July 1, 2025.