

Lincoln Fillmore proposes the following substitute bill:

Education Scholarship Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor:

LONG TITLE

General Description:

This bill removes income-based criteria from scholarship awards.

Highlighted Provisions:

This bill:

- removes income-based criteria from scholarship awards; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53E-7-401, as last amended by Laws of Utah 2024, Chapter 466

53E-7-402, as last amended by Laws of Utah 2024, Chapter 466

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

Section 1. Section **53E-7-401** is amended to read:

53E-7-401 . Definitions.

As used in this part:

(1) "The Carson Smith Opportunity Scholarship Program" or "program" means the program established in Section 53E-7-402.

(2) "Eligible student" means:

(a) a student who:

(i) is:

(A) eligible to participate in public school, in kindergarten, or grades 1 through 12;

(B) enrolled in a qualifying school as defined in Subsection (11);

- 30 (C) a home-based scholarship student as defined in Subsection (6); or
- 31 (D) at least three years old before September 2 of the year the scholarship is
- 32 awarded;
- 33 (ii) is a resident of the state;
- 34 (iii) has a qualified disability identified under 20 U.S.C. Sec. 140(3) as determined by:
- 35 (A) having an IEP within the previous three years; or
- 36 (B) a multidisciplinary team evaluation described in Subsection (7); and
- 37 (iv) during the school year for which the student is applying for the scholarship, is
- 38 not:
- 39 (A) a student who receives a scholarship under the Carson Smith Scholarship
- 40 Program created in Section 53F-4-302; or
- 41 (B) enrolled as a public school student; or
- 42 (b) a student who:
- 43 (i) meets the requirement of Subsections (2)(a)(i) and (ii); and
- 44 (ii) is a sibling of and resides in the same household as a student described in
- 45 Subsection (2)(a) if:
- 46 (A) the student described in Subsection (2)(a) is a scholarship student and has
- 47 verified enrollment or intent to enroll at a qualifying school or participate in
- 48 services provided by a qualifying provider; and
- 49 (B) the sibling is applying for a scholarship to attend the same qualifying school
- 50 or participate in the same services provided by a qualifying provider.
- 51 (3)(a) "Employee" means an individual working in a position in which the individual's
- 52 salary, wages, pay, or compensation, including as a contractor, is paid from:
- 53 (i) program donations to a scholarship granting organization; or
- 54 (ii) scholarship money allocated to a qualifying school or qualifying provider by a
- 55 scholarship granting organization under Section 53E-7-405.
- 56 (b) "Employee" does not include an individual who volunteers at the scholarship
- 57 granting organization, qualifying school, or qualifying provider.
- 58 [~~(4) "Family income" means the annual income of the parent, parents, legal guardian,~~
- 59 ~~or legal guardians with whom a scholarship student lives.]~~
- 60 [~~(5) "Federal poverty level" means the poverty level as defined by the most recently revised~~
- 61 ~~poverty income guidelines published by the United States Department of Health and~~
- 62 ~~Human Services in the Federal Register.]~~
- 63 [~~(6)~~ (4) "Home-based scholarship student" means a student who:

- 64 (a) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 65 (b) is excused from enrollment in an LEA in accordance with Section 53G-6-204 to
- 66 attend a home school; and
- 67 (c) receives a benefit from a scholarship under the program.
- 68 ~~[(7)]~~ (5) "Multidisciplinary evaluation team" means two or more individuals:
- 69 (a) who are qualified in two or more separate disciplines or professions; and
- 70 (b) who evaluate a child.
- 71 ~~[(8)]~~ (6) "Officer" means:
- 72 (a) a member of the board of a scholarship granting organization, qualifying school, or
- 73 qualifying provider; or
- 74 (b) the chief administrative officer of a scholarship granting organization, qualifying
- 75 school, or qualifying provider.
- 76 ~~[(9)]~~ (7) "Program donation" means a donation to the program under Section 53E-7-405.
- 77 ~~[(10)]~~ (8) "Qualifying provider" means:
- 78 (a) an entity that:
- 79 (i) is not a public school and is autonomous and not an agent of the state, in
- 80 accordance with Section 53E-7-406; and
- 81 (ii) meets the requirement described in Section 53E-7-403; and
- 82 (b) is an eligible service provider approved by the scholarship granting organization in
- 83 accordance with Section 53E-7-408.5.
- 84 ~~[(11)]~~ (9) "Qualifying school" means a private school that:
- 85 (a) provides kindergarten, elementary, or secondary education;
- 86 (b) is approved by the state board under Section 53E-7-408; and
- 87 (c) meets the requirements described in Section 53E-7-403.
- 88 ~~[(12)]~~ (10) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother,
- 89 uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,
- 90 sister-in-law, son-in-law, or daughter-in-law.
- 91 ~~[(13)]~~ (11) "Scholarship" means a grant awarded to an eligible student:
- 92 (a) by a scholarship granting organization out of program donations; and
- 93 (b) for the purpose of paying for a scholarship expense.
- 94 ~~[(14)]~~ (12) "Scholarship expense" means an expense that a parent or eligible student incurs
- 95 in the education of the eligible student for goods or a service that a qualifying school or
- 96 qualifying provider provides or facilitates, including:
- 97 (a) published tuition and fees of a qualifying school or qualifying provider;

- 98 (b) fees and instructional materials at a technical college;
99 (c) tutoring services;
100 (d) fees for after-school or summer education programs;
101 (e) textbooks, curricula, or other instructional materials, including any supplemental
102 materials or associated online instruction that a curriculum, qualifying provider, or a
103 qualifying school recommends;
104 (f) educational software and applications;
105 (g) supplies or other equipment related to an eligible student's educational needs;
106 (h) computer hardware or other technological devices that are intended primarily for an
107 eligible student's educational needs;
108 (i) fees for the following examinations, or for a preparation course for the following
109 examinations, that the scholarship granting organization approves:
110 (i) a national norm-referenced or standardized assessment described in Section
111 53F-6-410, an advanced placement examination, or another similar assessment;
112 (ii) a state-recognized industry certification examination; and
113 (iii) an examination related to college or university admission;
114 (j) educational services for students with disabilities from a licensed or accredited
115 practitioner or provider, including occupational, behavioral, physical, audiology, or
116 speech-language therapies;
117 (k) contracted services that the scholarship granting organization approves and that an
118 LEA provides, including individual classes, after-school tutoring services,
119 transportation, or fees or costs associated with participation in extracurricular
120 activities;
121 (l) ride fees or fares for a fee-for-service transportation provider to transport the eligible
122 student to and from a qualifying school or qualifying provider, not to exceed \$750 in
123 a given school year;
124 (m) expenses related to extracurricular activities, field trips, educational supplements,
125 and other educational experiences; or
126 (n) the scholarship granting organization approves in accordance with Subsection
127 53E-7-405(3).
- 128 ~~[(15)]~~ (13) "Scholarship granting organization" means an organization that is:
129 (a) qualified as tax exempt under Section 501(c)(3), Internal Revenue Code; and
130 (b) recognized through an agreement with the state board as a scholarship granting
131 organization, as described in Section 53E-7-404.

- 132 ~~[(16)]~~ (14) "Scholarship student" means an eligible student, including a home-based
 133 scholarship student, who receives a scholarship under this part.
- 134 ~~[(17)]~~ (15) "Value of the weighted pupil unit" means the amount established each year in the
 135 enacted public education budget that is multiplied by the number of weighted pupil units
 136 to yield the funding level for the basic state-supported school program.
- 137 Section 2. Section **53E-7-402** is amended to read:
- 138 **53E-7-402 . Carson Smith Opportunity Scholarship Program.**
- 139 (1) There is established the Carson Smith Opportunity Scholarship Program under which a
 140 parent may apply to a scholarship granting organization on behalf of the parent's student
 141 for a scholarship to help cover the cost of a scholarship expense.
- 142 (2)(a) A scholarship granting organization shall award, in accordance with this part,
 143 scholarships to eligible students.
- 144 (b) In awarding scholarships, a scholarship granting organization shall give priority to an
 145 eligible student described in Subsection 53E-7-401(1)(a) by:
- 146 (i) establishing an August 10 deadline for an eligible student described in Subsection
 147 53E-7-401(1)(b) to apply for a scholarship; and
- 148 (ii) awarding a scholarship to an eligible student described in Subsection
 149 53E-7-401(2)(b) only if funds exist after awarding scholarships to all eligible
 150 students described in Subsection 53E-7-401(2)(a) who have applied and qualify.
- 151 (c) Subject to available funds, a scholarship awarded to an eligible student described in
 152 Subsection 53E-7-401(2)(b) shall be for a similar term as a scholarship awarded to
 153 the eligible student's sibling.
- 154 (3) A scholarship granting organization shall determine a full-year scholarship award to pay
 155 for the cost of one or more scholarship expenses in an amount not more than:
- 156 (a) for an eligible student described in Subsection 53E-7-401(2)(a) who is:
- 157 (i) in kindergarten through grade 12, ~~[and whose family income is:]~~
 158 ~~[(A) at or below 185% of the federal poverty level,]~~ the value of the weighted
 159 pupil unit multiplied by 2.5; and
 160 ~~[(B) except as provided in Subsection (3)(a)(i)(C), above 185% of the federal~~
 161 ~~poverty level, the value of the weighted pupil unit multiplied by two; or]~~
 162 ~~[(C) above 185% of the federal poverty level and the eligible student would have~~
 163 ~~received an average of 180 minutes per day or more of special education~~
 164 ~~services in a public school before transferring to a private school, the value of~~
 165 ~~the weighted pupil unit multiplied by 2.5; or]~~

- 166 (ii) in preschool, the value of the weighted pupil unit; or
167 (b) for an eligible student described in Subsection 53E-7-401(2)(b), half the value of the
168 weighted pupil unit.
- 169 (4) Eligibility for a scholarship as determined by a multidisciplinary evaluation team under
170 this program does not establish eligibility for an IEP under the Individuals with
171 Disabilities Education Act, Subchapter II, 20 U.S.C. Secs. 1400 to 1419, and is not
172 binding on any LEA that is required to provide an IEP under the Individuals with
173 Disabilities Education Act.
- 174 (5) The scholarship granting organizations shall prepare and disseminate information on the
175 program to a parent applying for a scholarship on behalf of a student.

176 Section 3. **Effective Date.**

177 This bill takes effect on May 7, 2025.