

28 **53F-6-401 . Definitions.**

29 As used in this part:

- 30 (1) "Contract administrator" means the state board's appointed Deputy Superintendent of
31 Operations that ensures the program manager or financial administrator meets
32 contractual obligations.
- 33 (2) "Contract oversight and compliance" means the oversight and coordination functions
34 performed by the Department of Operations contract administrator, including:
35 (a) establishing and maintaining program standards within a contract with a program
36 manager or financial administrator;
37 (b) determining operational requirements and structures;
38 (c) procuring and managing contracts for program services and standards;
39 (d) ensuring program integrity through direct or contracted oversight;
40 (e) coordinating program functions and contracted services with a program manager or
41 financial administrator; and
42 (f) maintaining appropriate separation between government oversight and independent
43 program operations.
- 44 (3) "Contracted entity" means:
45 (a) an organization that:
46 (i) contracts with the state board under Section 53F-6-404 to perform duties and
47 functions necessary for program administration and operations;
48 (ii) is not affiliated with any international organization;
49 (iii) does not harvest data for the purpose of reproducing or distributing the data to
50 other entities;
51 (iv) is not involved in guiding or directing any curriculum or curriculum standards;
52 and
53 (v) performs the specific duties and functions assigned in the contract with the state
54 board.
- 55 (b) "Contracted entity" includes:
56 (i) the program manager, unless the program manager is the Department of
57 Operations for any duration of time;
58 (ii) the financial administrator; and
59 (iii) any other entity contracted to perform program functions under Section
60 53F-6-404.
- 61 (c) "Contracted entity" does not include:

- 62 (i) a qualifying provider;
- 63 (ii) an eligible school; or
- 64 (iii) an eligible service provider.
- 65 (4)(a) "Contracted entity employee" means an individual working for an entity
- 66 contracted under Section 53F-6-404 in a position in which the individual's salary,
- 67 wages, pay, or compensation, including as a contractor, is paid from scholarship
- 68 funds.
- 69 (b) "Contracted entity employee" does not include:
- 70 (i) an individual who volunteers for a contracted entity or for a qualifying provider;
- 71 (ii) an individual who works for a qualifying provider; or
- 72 (iii) a qualifying provider.
- 73 (5) "Contracted entity officer" means:
- 74 (a) a member of the board of a contracted entity; or
- 75 (b) the chief administrative officer of a contracted entity.
- 76 (6) "Department of Operations" means the section of the state board that oversees financial
- 77 operations, procurement operations, data and statistics operations, school land trust, and
- 78 information technology operations for the state board.
- 79 (7)(a) "Educational supplements" means:
- 80 (i) materials, tools, and equipment that:
- 81 (A) are directly related to and necessary for subjects aligned with the core
- 82 standards the state board establishes pursuant to Section 53E-4-202;
- 83 (B) are used for specific learning objectives or competencies;
- 84 (C) support structured learning activities or lessons; and
- 85 (D) are consumable or non-reusable in nature;
- 86 (ii) supplemental learning materials that:
- 87 (A) directly support or enhance the delivery of instruction in core academic
- 88 subjects;
- 89 (B) are tied to specific educational goals or outcomes; and
- 90 (C) are not primarily for entertainment or general enrichment purposes;
- 91 (iii) arts and music education materials that:
- 92 (A) align with state core standards; and
- 93 (B) are used in structured arts or music instruction; and
- 94 (iv) other educational materials that the program manager determines are:
- 95 (A) necessary for meeting specific learning objectives;

96 (B) appropriate for the student's age or grade level; and

97 (C) primarily educational rather than recreational in nature.

98 (b) "Educational supplements" does not include:

99 (i) entertainment materials;

100 (ii) recreational equipment;

101 (iii) food or nutritional items;

102 (iv) furniture or household items;

103 (v) general office supplies not specific to an educational activity; or

104 (vi) other items that do not have a clear, direct educational purpose aligned with
105 academic instruction.

106 (8) "Eligible student" means a student:

107 (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;

108 (b) who has not reached 19 years old before September 1 of the school year;

109 [~~(b)~~] (c) who is a primary resident of the state, including a child of a military service
110 member, as that term is defined in Section 53H-11-202;

111 [~~(e)~~] (d) who, during the school year for which the student is applying for a scholarship
112 account:

113 (i) does not receive a scholarship under:

114 (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or

115 (B) the Carson Smith Opportunity Scholarship Program established in Section
116 53E-7-402; and

117 (ii) before receiving the scholarship is not enrolled in:

118 (A) an LEA; or

119 (B) the Statewide Online Education Program to participate in a course with
120 funding provided under Chapter 4, Part 5, Statewide Online Education
121 Program, which does not include participation in a course by an entity as
122 described in Subsection 53F-6-409(7);

123 [~~(d)~~] (e) whose eligibility is not suspended or disqualified under Section 53F-6-401;

124 [~~(e)~~] (f) who completes, to maintain eligibility, the portfolio requirement described in
125 Subsection 53F-6-402(3)(d);

126 [~~(f)~~] (g) who provides verification of primary residence in Utah, including a parent's
127 utility bill, mortgage statement, lease agreement, or property tax records from the
128 current calendar year in which the eligible student is renewing, reapplying, or
129 applying for the scholarship for the first time; and

- 130 ~~(g)~~ (h) for out-of-state military families, who attests that the student is not enrolled in a
131 public school elsewhere while receiving the scholarship.
- 132 (9) "Federal poverty level" means the United States poverty level as defined by the most
133 recently revised poverty income guidelines published by the United States Department
134 of Health and Human Services in the Federal Register.
- 135 (10)(a) "Financial administrator" means an organization that:
- 136 (i) is not affiliated with any international organization;
- 137 (ii) does not harvest data for the purpose of reproducing or distributing the data to
138 other entities;
- 139 (iii) is not involved in guiding or directing any curriculum or curriculum standards;
140 and
- 141 (iv) contracts with the state board to administer scholarship payments in accordance
142 with this part.
- 143 (b) "Financial administrator" may include an organization that serves as both program
144 manager and financial administrator if the organization maintains appropriate
145 separation of duties and meets all qualifications for both roles.
- 146 (11)(a) "Home-based scholarship student" means a student who:
- 147 (i) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 148 (ii) attests to being exited from enrollment in a public school to attend a home-based
149 learning environment if the student was enrolled at any time in a public school;
150 and
- 151 (iii) receives a benefit of scholarship funds.
- 152 (b) "Home-based scholarship student" does not mean a home-based student who does
153 not receive a scholarship under the program.
- 154 (12) "Household income" means:
- 155 (a) the combined gross income of all parents residing in the same household as the
156 eligible student;
- 157 (b) the gross income of a single parent who claims the student as a dependent; or
- 158 (c) the gross income of a parent who claims the student as a dependent under the terms
159 of a joint custody agreement.
- 160 (13) "Parent" means:
- 161 (a) the same as that term is defined in Section 53E-1-102; and
- 162 (b) a foster parent who has initiated a process to adopt the foster child.
- 163 (14) "Primary residence" means the one location where an individual resides for the

- 164 majority of the year.
- 165 (15)(a) "Private school" means a full-time, tuition-bearing educational institution where
 166 the student receives the majority of the student's academic instruction.
- 167 (b) "Private school" does not include:
- 168 (i) an entity that distributes, rebates, or passes through to families any portion of
 169 enrollment-based funding received by an LEA;
- 170 (ii) shares common ownership, management, officers, or directors with an entity
 171 described in Subsection (15)(b)(i); or
- 172 (iii) is structured to circumvent Subsections (15)(b)(i) or (ii).
- 173 (16)(a) "Program manager" means a contracted entity or entities that:
- 174 (i) perform program operational functions outlined in the procurement agreement
 175 described in Section 53F-6-404, including:
- 176 (A) processing scholarship applications and eligibility determinations;
 177 (B) maintaining scholarship account records;
 178 (C) coordinating with qualifying providers and the financial administrator; and
 179 (D) providing customer service to program participants;
- 180 (ii) in accordance with required program administration, implement established
 181 program standards and procedures; and
- 182 (iii) perform other operational duties as specified in the contract.
- 183 (b) "Program manager" may include an organization that serves as both program
 184 manager and financial administrator if the organization maintains appropriate
 185 separation of duties and meets all qualifications for both roles.
- 186 (17)(a) "Qualifying provider" means one of the following entities:
- 187 (i) an eligible school that the program manager approves in accordance with Section
 188 53F-6-408; or
- 189 (ii) an eligible service provider that the program manager approves in accordance
 190 with Section 53F-6-409.
- 191 (b) "Qualifying provider" does not include:
- 192 (i) a parent of a home-based scholarship student solely in relation to the parent's
 193 child; or
- 194 (ii) any other individual that does not meet the requirements described in Subsection
 195 (17)(a).
- 196 (18) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle,
 197 aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,

- 198 sister-in-law, son-in-law, or daughter-in-law.
- 199 (19) "Scholarship account" means the account to which a program manager allocates funds
200 for the payment of approved scholarship expenses in accordance with this part.
- 201 (20)(a) "Scholarship expense" means an expense described in Section 53F-6-402 that a
202 parent or scholarship student incurs in the education of the scholarship student for a
203 service or goods that a qualifying provider provides, including:
- 204 (i) tuition and fees of a qualifying provider;
 - 205 (ii) fees and instructional materials at a technical college;
 - 206 (iii) tutoring services;
 - 207 (iv) fees for after-school or summer education programs;
 - 208 (v) textbooks, curricula, or other instructional materials, including any supplemental
209 materials or associated online instruction that a curriculum or a qualifying
210 provider recommends;
 - 211 (vi) educational software and applications;
 - 212 (vii) supplies or other equipment related to a scholarship student's educational needs;
 - 213 (viii) computer hardware or other technological devices that are intended primarily
214 for a scholarship student's educational needs, not to exceed once every three years
215 for a scholarship student;
 - 216 (ix) fees for the following examinations, or for a preparation course for the following
217 examinations, that the program manager approves:
 - 218 (A) a national norm-referenced or standardized assessment described in Section
219 53F-6-410, an advanced placement examination, or another similar assessment;
 - 220 (B) a state-recognized industry certification examination; and
 - 221 (C) an examination related to college or university admission;
 - 222 (x) educational services for students with disabilities from a licensed or accredited
223 practitioner or provider, including occupational, behavioral, physical, audiology,
224 or speech-language therapies;
 - 225 (xi) contracted services that the program manager approves and that an LEA provider
226 offers, including individual classes, after-school tutoring services, transportation,
227 or fees or costs associated with participation in extracurricular activities;
 - 228 (xii) ride fees or fares for a fee-for-service transportation provider to transport the
229 scholarship student to and from a qualifying provider, not to exceed \$750 in a
230 given school year;
 - 231 (xiii) in accordance with Subsection (20)(c), expenses related to extracurricular

- 232 activities, field trips, educational supplements, physical education experiences,
233 and other educational experiences;
- 234 (xiv) coursework or an educational supplement for arts and music that aligns with
235 state core standards;
- 236 (xv) a musical instrument rental, excluding purchase; or
- 237 (xvi) any other expense for a good or service that:
- 238 (A) a parent or scholarship student incurs in the education of the scholarship
239 student; and
- 240 (B) the program manager approves.
- 241 (b) "Scholarship expense" does not include:
- 242 (i) chaperone expenses, except that a family with one or more scholarship students
243 receiving the scholarship under Subsection 53F-6-402(2)(c) may use scholarship
244 funds for one chaperone expense or pass per family, regardless of how many
245 scholarship students are in the family or household;
- 246 (ii) season tickets or subscriptions to entertainment venues;
- 247 (iii) ski passes or lift tickets;
- 248 (iv) access to recreational facilities unless for physical education of the student;
- 249 (v) playground equipment;
- 250 (vi) the purchase of any type of:
- 251 (A) furniture; or
- 252 (B) a musical instrument;
- 253 (vii) apparel; and
- 254 (viii) other non-educational expenses as the program manager determines.
- 255 (c)(i) A scholarship expense for extracurricular activities may not exceed 20% of the
256 total scholarship amount.
- 257 (ii) A scholarship expense for physical education requirements may not exceed an
258 additional 20% of the total scholarship amount from the amount described in
259 Subsection (20)(c)(i).
- 260 (iii) A scholarship expense for arts and music described in Subsection (20)(a)(xiv) is
261 not an extracurricular activity.
- 262 (21) "Scholarship funds" means:
- 263 (a) funds that the Legislature appropriates for the program; and
- 264 (b) interest that scholarship funds accrue.
- 265 (22)(a) "Scholarship student" means an eligible student, including a home-based

266 scholarship student, for whom the program manager establishes and maintains a
267 scholarship account in accordance with this part.

268 (b) "Scholarship student" does not include a home-based student who does not receive a
269 scholarship award under the program.

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

272 Section 2. Section **53F-6-402** is amended to read:

273 **53F-6-402 . Utah Fits All Scholarship Program -- Scholarship account**
274 **application -- Scholarship expenses -- Program information.**

275 (1) Subject to Section 53F-6-415.5, there is established the Utah Fits All Scholarship
276 Program under which a parent may apply to establish and maintain a scholarship
277 account to cover the cost of a scholarship expense.

278 (2)(a) In accordance with this part and required program administration, the program
279 manager shall establish and maintain scholarship accounts for eligible students.

280 (b) The program manager shall:

281 (i) determine that a student meets the requirements to be an eligible student; and

282 (ii) subject to Subsection (2)(c), each year the student is an eligible student,
283 coordinate with the financial administrator to maintain a scholarship account for
284 the scholarship student to pay for the cost of one or more scholarship expenses
285 that the student or student's parent incurs in the student's education.

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

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

289 (ii) for a home-based scholarship student age 5-11 as of September 1 of the
290 scholarship year, \$4,000; and

291 (iii) for a home-based scholarship student age 12-18 as of September 1 of the
292 scholarship year, \$6,000.

293 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds to eligible
294 scholarship students shall be distributed to the program manager and through the
295 financial administrator in two equal payments:

296 (i) the first payment no later than July 31 of the scholarship year; and

297 (ii) the second payment no later than December 31 of the scholarship year.

298 (e) When a scholarship student exits the program during the school year:

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

- 300 (A) remove any remaining funds from the exited student's scholarship account; and
301 (B) make those funds available for new scholarship awards within the same year;
302 and
- 303 (ii) any new scholarship award made during the same year and using funds from an
304 exited student's account shall be prorated as follows:
- 305 (A) if awarded during the second quarter of the school year, no more than 75% of
306 the annual scholarship amount is allocated;
- 307 (B) if awarded during the third quarter of the school year, no more than 50% of
308 the annual scholarship amount is allocated; and
- 309 (C) no new scholarship awards shall be made during the fourth quarter of the
310 school year.
- 311 (3)(a) In accordance with required program administration, a program manager shall
312 direct the financial administrator to establish a scholarship account on behalf of an
313 eligible student who submits a timely application, unless the number of applications
314 exceeds available scholarship funds for the school year.
- 315 (b) If the number of applications exceeds the available scholarship funds for a school
316 year, the program manager shall select students on a random basis, except as
317 provided in Subsection (6), and as long as the student meets the eligibility criteria.
- 318 (c) An eligible student or a public education student shall submit an application for an
319 initial scholarship or renewal for each school year that the student intends to receive
320 scholarship funds.
- 321 (d)(i) To maintain eligibility for the following school year, a scholarship student or
322 the scholarship student's parent shall:
- 323 (A) complete and deliver to the program manager a portfolio describing the
324 scholarship student's educational opportunities and achievements under the
325 program for the given year; or
- 326 (B) submit results from an assessment as described in Section 53F-6-410.
- 327 (ii) The portfolio or assessment described in Subsection (3)(d)(i) must be submitted:
- 328 (A) no later than May 31; or
- 329 (B) in accordance with the assessment schedule submitted to and approved by the
330 program manager.
- 331 (iii) The receipt of the portfolio or assessment results by the program manager is a
332 condition of scholarship award for the following school year.
- 333 (iv) The program manager may not disclose the content of a given scholarship

334 student's portfolio except to the scholarship student's parent, unless the parent
335 provides written consent for the portfolio to be used as a sample or example, in
336 which case all personally identifiable information must be removed prior to such
337 use.

338 (4)(a) An application for a scholarship account shall contain an acknowledgment by the
339 student's parent that the qualifying provider selected by the parent for the student's
340 enrollment or engagement can provide education services for the student.

341 (b) A scholarship account application form shall contain the following statement:

342 "I acknowledge that:

343 1: A qualifying provider may not provide the same level of disability services that are
344 provided in a public school;

345 2: I will assume full financial responsibility for the education of my scholarship
346 recipient if I agree to this scholarship account;

347 3: Agreeing to establish this scholarship account has the same effect as a parental refusal
348 to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals
349 with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and

350 4: My child may return to a public school at any time, and I will notify the program
351 manager within five business days if my child returns to a public school that is not a qualifying
352 provider or if we have elected to take courses from the public portion of a qualifying
353 provider.".

354 (c) Upon agreeing to establish a scholarship account, the parent assumes full financial
355 responsibility for the education of the scholarship student, including the balance of
356 any expense incurred at a qualifying provider or for goods that are not paid for by the
357 scholarship student's scholarship account.

358 (d) Agreeing to establish a scholarship account has the same effect as a parental refusal
359 to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the
360 Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.

361 (e) The creation of the program or establishment of a scholarship account on behalf of a
362 student does not:

363 (i) imply that a public school did not provide a free and appropriate public education
364 for a student; or

365 (ii) constitute a waiver or admission by the state.

366 (5) A program manager or financial administrator may not charge a scholarship account
367 application fee.

- 368 (6)(a) A program manager shall give an enrollment preference based on the following
 369 order of preference:
- 370 (i) to an eligible student who used a scholarship account in the previous school year
 371 and has submitted the required accountability measure;
- 372 (ii) to an eligible student who is a sibling of an eligible student who:
- 373 (A) uses a scholarship account at the time the sibling applies for a scholarship
 374 account; or
- 375 (B) used a scholarship account in the school year immediately preceding the
 376 school year for which the sibling is applying for a scholarship account;
- 377 ~~[(ii)]~~ (iii) to an eligible student:
- 378 (A) who did not use a scholarship account in the previous school year;~~[-and]~~
- 379 (B) with a family income at or below 300% of the federal poverty level; and
- 380 (C) was part of a household that received a partial scholarship award under
 381 Subsection 53F-6-402(13)(c) and the sibling was not among the children who
 382 received a scholarship in that partial award; and
- 383 ~~[(iii) to an eligible student who is a sibling of an eligible student who:]~~
- 384 ~~[(A) uses a scholarship account at the time the sibling applies for a scholarship~~
 385 ~~account; or]~~
- 386 ~~[(B) used a scholarship account in the school year immediately preceding the~~
 387 ~~school year for which the sibling is applying for a scholarship account; and]~~
- 388 (iv) for any remaining scholarships, to an eligible student on a lottery basis.
- 389 (b) If the number of eligible students within any preference tier described in Subsection
 390 (6)(a) exceeds available scholarship funds the program manager shall grant awards
 391 on a lottery basis.
- 392 (c)(i) For income verification purposes, a parent of a scholarship student shall:
- 393 (A) provide written consent authorizing the State Tax Commission to disclose the
 394 parent's state individual income tax return information to the program manager;
 395 and
- 396 (B) submit the consent in a form prescribed by the State Tax Commission.
- 397 (ii) Upon receiving the consent described in Subsection (6)(c)(i), the State Tax
 398 Commission shall provide state individual income tax information to the program
 399 manager for income verification purposes regarding the parent within 10 business
 400 days.
- 401 (d) For income verification purposes:

- 402 (i) the program manager shall require documentation of household income, not
403 individual income;
- 404 (ii) if the individual income tax is a business income filing, require:
405 (A) the most recently filed business tax returns;
406 (B) year-to-date profit and loss statements; and
407 (C) documentation of the owner's draw or distributions; and
- 408 (iii) for households awaiting completion of tax filings for the year immediately
409 preceding the current year, the program manager shall accept the following
410 documentation for conditional approval and only until such a time as the current
411 tax year returns, year-to-date profit and loss statements, or documentation of
412 owner's draw or distributions are provided for the current tax year:
413 (A) the most recent W-2s;
414 (B) a current pay stub showing year-to-date earnings; and
415 (C) an employer verification letter.
- 416 (7)(a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account
417 to pay for a scholarship expense from a qualifying provider that a parent or
418 scholarship student incurs in the education of the scholarship student.
- 419 (b) A scholarship student or the scholarship student's parent may not use a scholarship
420 account for an expense that the student or parent does not incur in the education of
421 the scholarship student, including:
422 (i) a rehabilitation program that is not primarily designed for an educational purpose;
423 or
424 (ii) a travel expense other than a transportation expense described in Section
425 53F-6-401.
- 426 (c) The program manager or financial administrator may not:
427 (i) approve a scholarship expense for a service that a qualifying provider provides
428 unless the program manager determines that the scholarship student or the
429 scholarship student's parent incurred the scholarship expense in the education of
430 the scholarship student; or
431 (ii) reimburse an expense for a service or good that a provider that is not a qualifying
432 provider provides unless:
433 (A) the parent or scholarship student submits a receipt that shows the cost and
434 type of service or good and the name of provider;
435 (B) the expense would have qualified as a scholarship expense if a qualifying

- 436 provider provided the good or service;
- 437 (C) the provider of the good or service is not the parent of the student who is a
438 home-based scholarship student solely in relation to the parent's child;
- 439 (D) the program manager determines that the parent or scholarship student
440 incurred the expense in the education of the scholarship student; and
- 441 (E) the program manager or financial administrator determines that the parent or
442 scholarship student incurred the expense when the student was not enrolled in a
443 public school[.].
- 444 (d) The parent of a scholarship student may not receive scholarship funds as payment for
445 the parent's time spent educating the parent's child.
- 446 (e) Except for cases in which a scholarship student or the scholarship student's parent is
447 convicted of fraud in relation to scholarship funds, if a qualifying provider,
448 scholarship student, or scholarship student's parent repays an expenditure from a
449 scholarship account for an expense that is not approved under this Subsection (7), the
450 program manager shall credit the repaid amount back to the scholarship account
451 balance within 30 days after the day on which the program manager receives the
452 repayment.
- 453 (8) Notwithstanding any other provision of law, funds that the program manager or
454 financial administrator disburses from the Utah Fits All Scholarship Program Restricted
455 Account created in Section 53F-6-411 under this part to a scholarship account on behalf
456 of a scholarship student do not constitute state taxable income to the parent of the
457 scholarship student.
- 458 (9) The program manager shall prepare and disseminate information on the program to a
459 parent applying for a scholarship account on behalf of a student, including the
460 information that the program manager provides in accordance with Section 53F-6-405.
- 461 (10) As frequently as necessary to maintain the information, the state board shall provide
462 information on the state board's website, including:
- 463 (a) scholarship account information;
- 464 (b) information on the program manager or financial administrator, including the
465 program manager's or financial administrator's contact information; and
- 466 (c) an overview of the program.
- 467 (11) In accordance with required program administration, the program manager shall:
- 468 (a) in alignment with deadlines specified in Subsection 53F-6-405(1)(c), establish and
469 communicate to an eligible student a deadline by which the eligible student must

- 470 accept or deny the scholarship offer; and
- 471 (b) communicate to an eligible student that failure to respond by the deadline described
- 472 in Subsection (11)(a) shall result in forfeiture of the scholarship offer.
- 473 (12) In accordance with Subsection 53F-6-403(7), the program manager shall:
- 474 (a) verify student eligibility status before removing any student from scholarship
- 475 eligibility;
- 476 (b) establish protocols for reviewing disputed eligibility determinations;
- 477 (c) implement a process for immediate reinstatement of eligibility when errors are
- 478 identified;
- 479 (d) maintain detailed records of all eligibility removals and reinstatements; and
- 480 (e) provide regular reports to the state board regarding eligibility status changes of a
- 481 scholarship student.
- 482 (13) When multiple children from the same household apply for scholarships, the program
- 483 manager shall:
- 484 (a) process applications from the same household together;
- 485 (b) approve or deny all children in the household as a unit based on the household's
- 486 priority tier; and
- 487 (c) if insufficient scholarship funds remain to award scholarships to all children in a
- 488 household applying as a unit:
- 489 (i) notify the household of the number of scholarships available;
- 490 (ii) allow the household to choose to:
- 491 (A) accept scholarships for the number of children for which funds are available,
- 492 with the household determining which children receive scholarships; or
- 493 (B) decline the partial award and remain on the waitlist for a future opportunity
- 494 when sufficient funds become available to serve all children in the household;
- 495 (iii) provide the household at least five business days to make the decision described
- 496 in Subsection (13)(c)(ii);
- 497 (iv) process the household's decision in accordance with the deadlines established in
- 498 Subsection 53F-6-402(11); and
- 499 (v) if the household accepts a partial award, place any remaining children from the
- 500 household on the waitlist in accordance with the children's original priority tier.

501 Section 3. Section **53F-6-405** is amended to read:

502 **53F-6-405 . Program manager duties -- Audit -- Prohibitions.**

- 503 (1) The program manager shall:

- 504 (a) administer the program, including:
- 505 (i) maintaining an application website that includes information on enrollment,
- 506 relevant application dates, and dates for notification of acceptance;
- 507 (ii) reviewing applications from and determining if a person is:
- 508 (A) an eligible school under Section 53F-6-408; or
- 509 (B) an eligible service provider under Section 53F-6-409;
- 510 (iii) establishing an application process that:
- 511 (A) opens March 1 of each year for existing scholarship students;
- 512 (B) opens April 1 of each year for new scholarship students;
- 513 (C) closes May 1 of each year;
- 514 (D) aligns with the acceptance deadline established under Subsection
- 515 53F-6-402(11) that shall be prior to July 1 of each year; and
- 516 (E) provides an eligible student with a decision regarding the eligible student's
- 517 application within 30 days of the application deadline specified in this
- 518 Subsection (1)(a);
- 519 (iv) reviewing and granting or denying applications for a scholarship account;
- 520 (v) determining the eligibility of scholarship expenses, including establishing
- 521 necessary policies and procedures;
- 522 (vi) approving qualifying providers in accordance with Section 53F-6-403; ~~and~~
- 523 (vii) maintaining a list of approved qualifying providers; and
- 524 (viii) coordinating with the Department of Operations on policy interpretations,
- 525 compliance issues, and customer service standards;
- 526 (b) direct the financial administrator to:
- 527 (i) provide an online portal for the parent of a scholarship student to access the
- 528 scholarship student's account;
- 529 (ii) facilitate payments to a qualifying provider from the online portal;
- 530 (iii) ensure that scholarship funds in a scholarship account are readily available to a
- 531 scholarship student within five business days after receipt of funds from the state
- 532 board;
- 533 (iv) process scholarship payments in accordance with the payment schedule
- 534 established in Section 53F-6-411, unless otherwise authorized;
- 535 (v) in accordance with program administration when needed, develop and implement
- 536 a commercially viable, cost-effective, and parent-friendly system that:
- 537 (A) processes scholarship payments;

- 538 (B) maximizes payment flexibility;
- 539 (C) allows scholarship students and scholarship student's parents to publicly rate,
540 review, and share information about qualifying providers; and
- 541 (D) provides the program manager with continuous, real-time, view-only access to
542 all scholarship account transactions and balances, payment processing status,
543 provider payment history, reimbursement tracking, and account reconciliation
544 data;
- 545 (vi) upon receiving notification under Subsection (1)(c):
- 546 (A) obtain reimbursement of scholarship funds from a qualifying provider that
547 provides the services in which a scholarship student is no longer enrolled or
548 with which the scholarship student is no longer engaged; and
- 549 (B) expend all revenue from interest on scholarship funds or investments on
550 scholarship expenses; and
- 551 (vii) implement accounting procedures to track partial payments and remaining
552 balances;
- 553 (c) require a parent to notify the program manager if the parent's scholarship student is
554 no longer enrolled in or engaging a service:
- 555 (i) for which the scholarship student receives scholarship funds; and
556 (ii) that is provided to the scholarship student for an entire school year;
- 557 (d) each time the program manager makes an administrative decision that is adverse to a
558 scholarship student or the scholarship student's parent, inform the scholarship student
559 and the scholarship student's parent of the opportunity and process to appeal an
560 administrative decision of the program manager in accordance with the process
561 described in Section 53F-6-417;
- 562 (e) maintain a protected internal waitlist of all eligible students who have applied to the
563 program and are not yet scholarship students, including any student who removed the
564 student's application from the waitlist;
- 565 (f) provide aggregate data regarding the number of scholarship students and the number
566 of eligible students on the waitlist described in Subsection (1)(e);
- 567 (g) contract for annual and random audits on scholarship accounts conducted:
- 568 (i) by a certified public accountant who is independent from:
- 569 (A) the program manager; and
570 (B) the financial administrator's accounts and records pertaining to scholarship
571 funds; and

- 572 (ii) in accordance with generally accepted auditing standards;
- 573 (h) require the financial administrator to demonstrate financial accountability through
- 574 annual reporting requirements described in Section 53F-6-405.5;
- 575 (i) develop and implement an annual orientation for qualifying providers;
- 576 (j) administer the appeals process described in Section 53F-6-417;
- 577 (k) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;
- 578 (l) track and ensure compliance of allowed scholarship expenses;[-and]
- 579 (m) comply with enhanced accountability measures, including independent audits and
- 580 public disclosure of third-party contracts and fees related to the administration of the
- 581 program[-] ; and
- 582 (n) process parent reimbursement requests within 10 business days after the program
- 583 manager approves the expense and direct the financial administrator to process
- 584 approved reimbursements within this time frame.
- 585 (2) The program manager shall:
- 586 (a) require the financial administrator to submit monthly financial reports including:
- 587 (i) a statement of financial position;
- 588 (ii) a statement of activities;
- 589 (iii) account reconciliation statements;
- 590 (iv) detailed transaction reports; and
- 591 (v) exception reports highlighting any unusual activity; and
- 592 (b) oversee the financial administrator's compliance with requirements regarding:
- 593 (i) except for a reimbursement authorized under this part, the use of scholarship funds
- 594 from the online portal directly to a qualifying provider to pay for scholarship
- 595 expenses without the availability of withdrawal or other direct access to
- 596 scholarship funds by an individual; and
- 597 (ii) system compliance with industry standards for data privacy and cybersecurity,
- 598 including ensuring compliance with the Family Educational Rights and Privacy
- 599 Act, 34 C.F.R. Part 99.
- 600 (3) In advance of the program manager accepting applications in accordance with Section
- 601 53F-6-402 and as regularly as information develops, the program manager shall provide
- 602 information regarding the program by publishing a program handbook online for
- 603 scholarship applicants, scholarship students, parents, service providers seeking to
- 604 become qualifying providers, and qualifying providers, that includes information
- 605 regarding:

- 606 (a) the policies and processes of the program;
- 607 (b) approved scholarship expenses and qualifying providers;
- 608 (c) the responsibilities of parents regarding the program and scholarship funds;
- 609 (d) the duties of each contracted entity; and
- 610 (e) the opportunity and process to appeal an administrative decision of the program
- 611 manager in accordance with the process described in Section 53F-6-417.
- 612 (4) To ensure the fiscal security and compliance of the program, the program manager shall:
- 613 (a) prohibit any person from handling, managing, or processing scholarship funds, if, the
- 614 person poses a risk to the appropriate use of scholarship funds, as determined by
- 615 background checks the program manager conducted in accordance with Section
- 616 53F-6-407;
- 617 (b) establish procedures to ensure a fair process to:
- 618 (i) suspend scholarship student's eligibility for the program in the event of the
- 619 scholarship student's or scholarship student's parent's:
- 620 (A) intentional or substantial misuse of scholarship funds; or
- 621 (B) violation of this part or the terms of the program; and
- 622 (ii) if the program manager or financial administrator obtains evidence of fraudulent
- 623 use of scholarship funds, refer the case to the attorney general for collection or
- 624 criminal investigation; and
- 625 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified
- 626 under this Subsection (4)(b) or Subsection (4)(c) based on the actions of the
- 627 student's parent regains eligibility if the student is placed with a different parent or
- 628 otherwise no longer resides with the parent related to the suspension or
- 629 disqualification; and
- 630 (c) notify the financial administrator, scholarship student, and scholarship student's
- 631 parent in writing:
- 632 (i) of the suspension described in Subsection (4)(b)(i);
- 633 (ii) that no further transactions, disbursements, or reimbursements are allowed;
- 634 (iii) that the scholarship student or scholarship student's parent may take corrective
- 635 action within 10 business days of the day on which the program manager provides
- 636 the notification; and
- 637 (iv) that without taking the corrective action within the time period described in
- 638 Subsection (4)(c)(iii), the program manager may disqualify the student's eligibility.
- 639 (5)(a) A program manager may not direct the financial administrator to:

- 640 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider
641 to use scholarship funds if:
- 642 (A) the program manager determines that the qualifying provider intentionally or
643 substantially misrepresented information on overpayment;
- 644 (B) the qualifying provider fails to refund an overpayment in a timely manner; or
645 (C) the qualifying provider routinely fails to provide scholarship students with
646 promised educational services; or
- 647 (ii) reimburse with scholarship funds an individual for the purchase of a good or
648 service if the program manager determines that:
- 649 (A) the scholarship student or the scholarship student's parent requesting
650 reimbursement intentionally or substantially misrepresented the cost or
651 educational purpose of the good or service; or
652 (B) the relevant scholarship student was not the exclusive user of the good or
653 service.
- 654 (b) A program manager shall notify a scholarship student if the program manager:
- 655 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying
656 provider under Subsection (5)(a)(i); or
657 (ii) refuses reimbursement under Subsection (5)(a)(ii).
- 658 (6)(a) At any time, a scholarship student may change the qualifying provider to which
659 the scholarship student's scholarship account makes distributions.
- 660 (b) If, during the school year, a scholarship student changes the student's enrollment in
661 or engagement with a qualifying provider to another qualifying provider, the program
662 manager may direct the financial administrator to prorate scholarship funds between
663 the qualifying providers based on the time the scholarship student received the goods
664 or services or was enrolled.
- 665 (7) A program manager may not subvert the enrollment preferences required under Section
666 53F-6-402 or other provisions of this part to establish a scholarship account on behalf of
667 a relative of a contracted entity employee or contracted employee officer.
- 668 (8) In regards to customer service needs related to the program, the program manager shall:
- 669 (a) provide customer service regarding:
- 670 (i) program eligibility determinations;
- 671 (ii) application status;
- 672 (iii) qualifying provider approvals;
- 673 (iv) scholarship expense eligibility;

- 674 (v) program policies and requirements;
- 675 (vi) appeals and grievances;
- 676 (vii) accessibility for disabled individuals; and
- 677 (viii) general program information;
- 678 (b) ensure the financial administrator provides customer service regarding:
- 679 (i) scholarship account access;
- 680 (ii) payment processing status;
- 681 (iii) technical support for the payment portal;
- 682 (iv) account balance inquiries;
- 683 (v) transaction history; and
- 684 (vi) reimbursement status;
- 685 (c) establish customer service standards that the program manager and the financial
- 686 administrator must meet;
- 687 (d) require the financial administrator to:
- 688 (i) maintain adequate customer service staffing;
- 689 (ii) meet specified response time requirements; and
- 690 (iii) track and report on customer service metrics; [~~and~~]
- 691 (e) coordinate with the financial administrator to ensure seamless referral of inquiries
- 692 between contracted entities[-] ;
- 693 (f) maintain call center capacity adequate to serve current program participation levels,
- 694 including:
- 695 (i) sufficient staffing to handle call volume during standard and peak enrollment
- 696 periods;
- 697 (ii) scalability plans to increase customer service capacity as program enrollment
- 698 grows; and
- 699 (iii) regular capacity assessments to ensure staffing and infrastructure meet program
- 700 demands; and
- 701 (g) continue improvement of customer service based on parent feedback.
- 702 (9) Contracted entities may not charge processing fees to an eligible student or pass on
- 703 third-party fees related to the use or management of scholarship funds.
- 704 (10) The program manager shall establish and maintain a pre-approval process for
- 705 scholarship expenses that:
- 706 (a) allows parents to submit expense requests for review before incurring the expense;
- 707 (b) provides a response within seven business days indicating whether:

- 708 (i) the expense is approved as an allowable scholarship expense;
 709 (ii) the expense requires additional information or documentation; or
 710 (iii) the expense is not an allowable scholarship expense, with a clear explanation of
 711 the reason for denial;
- 712 (c) is accessible through the online portal, email, and telephone; and
 713 (d) maintains documentation of all pre-approval requests and decisions.
- 714 (11) If the program manager operates a marketplace for educational products or services:
 715 (a) prices shall reflect fair market value;
 716 (b) parents may purchase substantially similar items elsewhere and seek reimbursement;
 717 (c) the program manager may not require exclusive marketplace purchases;
 718 (d) the program manager may not resell used or returned goods through the marketplace;
 719 and
 720 (e) nothing in this subsection prohibits parents from purchasing used or resale
 721 educational materials, supplies, or equipment from third parties and seeking
 722 reimbursement through the scholarship account reimbursement process in accordance
 723 with this part.

724 Section 4. Section **53F-6-406** is amended to read:

725 **53F-6-406 . Qualifying provider regulatory autonomy -- Home school autonomy**
 726 **-- Student records -- Scholarship student status.**

- 727 (1) Nothing in this part:
 728 (a) except as expressly described in this part, grants additional authority to any state
 729 agency or LEA to regulate or control:
 730 (i) a private school, qualifying provider, or home school;
 731 (ii) students receiving education from a private school, qualifying provider, or home
 732 school;
- 733 (b) applies to or otherwise affects the freedom of choice of a home school student,
 734 including the curriculum, resources, developmental planning, or any other aspect of
 735 the home school student's education; or
- 736 (c) except as expressly provided in Section 53F-6-408 regarding LEA providers,
 737 expands the regulatory authority of the state, a state office holder, or an LEA to
 738 impose any additional regulation of a qualifying provider beyond any regulation
 739 necessary to administer this part.
- 740 (2) A qualifying provider:
 741 (a) has a right to maximum freedom from unlawful governmental control in providing

- 742 for the educational needs of a scholarship student who attends or engages with the
 743 qualifying provider; and
- 744 (b) is not an agent of the state by virtue of the provider's acceptance of payment from a
 745 scholarship account in accordance with this part.
- 746 (3) Except as provided in Section 53F-6-403 regarding qualifying providers, Section
 747 53F-6-408 regarding eligible schools, or Section 53F-6-409 regarding eligible service
 748 providers, a program manager may not require a qualifying provider to alter the
 749 qualifying provider's creed, practices, admissions policies, hiring practices, or curricula
 750 in order to accept scholarship funds.
- 751 (4) An LEA or a school in an LEA in which a scholarship student was previously enrolled
 752 shall provide to the scholarship student's parent a copy of all school records relating to
 753 the student that the LEA possesses within 30 days after the day on which the LEA or
 754 school receives the parent's request for the student's records, subject to:
- 755 (a) Title 53E, Chapter 9, Student Privacy and Data Protection; and
 756 (b) Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g.
- 757 (5) By virtue of a scholarship student's involvement in the program and unless otherwise
 758 expressly provided in statute, a scholarship student is not:
- 759 (a) enrolled in the public education system; or
 760 (b) otherwise subject to statute, administrative rules, or other state regulations as if the
 761 student was enrolled in the public education system.
- 762 (6)(a) A scholarship student may participate in public school athletics and
 763 extracurricular activities in the same manner as a home school student or private
 764 school student under Section 53G-6-702.
- 765 (b) An LEA may not:
- 766 (i) deny a scholarship student the opportunity to participate in athletics or
 767 extracurricular activities based solely on the student's scholarship status; or
 768 (ii) impose requirements on scholarship students for athletic or extracurricular
 769 participation that are more restrictive than those imposed on home school students
 770 or private school students.

771 Section 5. Section **53F-6-408** is amended to read:

772 **53F-6-408 . Eligible schools.**

- 773 (1) To be eligible to receive scholarship funds on behalf of a scholarship student as an
 774 eligible school, a private school with 150 or more enrolled students shall:
 775 [(a)(i) contract with an independent licensed certified public accountant to conduct
 776

- 777 an agreed upon procedures engagement as the state board adopts, or obtain an
 778 audit and report that:]
- 779 [~~(A)~~ a licensed independent certified public accountant conducts in accordance
 780 with generally accepted auditing standards;]
- 781 [~~(B)~~ presents the financial statements in accordance with generally accepted
 782 accounting principles; and]
- 783 [~~(C)~~ audits financial statements from within the 12 months immediately preceding
 784 the audit; and]
- 785 [(ii) submit the audit report or report of the agreed upon procedure to the program
 786 manager when the private school applies to receive scholarship funds;]
- 787 (a) submit to the program manager verification that the private school has obtained:
- 788 (i) an agreed upon procedures engagement conducted by an independent licensed
 789 certified public accountant that addresses financial solvency and working capital
 790 adequacy; or
- 791 (ii) an audit conducted by an independent licensed certified public accountant in
 792 accordance with generally accepted auditing standards that presents financial
 793 statements in accordance with generally accepted accounting principles;
- 794 (b) provide to the program manager and financial administrator:
- 795 (i) a federal employer identification number;
- 796 (ii) the provider's address and contact information;
- 797 (iii) a description of each program or service the provider proposes to offer a
 798 scholarship student; and
- 799 (iv) any other information as required by the program manager or financial
 800 administrator;
- 801 [~~(b)~~] (c) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;
- 802 [~~(c)~~] (d) provide a written disclosure to the parent of each prospective scholarship
 803 student, before the student is enrolled, of:
- 804 (i) the education services that the school will provide to the scholarship student,
 805 including the cost of the provided services;
- 806 (ii) tuition costs;
- 807 (iii) additional fees the school will require a parent to pay during the school year; [~~and~~]
- 808 (iv) the skill or grade level of the curriculum in which the prospective scholarship
 809 student will participate; [~~and~~]
- 810 (v) beginning the 2026-2027 school year, a clear statement that if a scholarship

811 student withdraws and the school's refund policy provides for a tuition refund, the
812 school shall remit any refund directly to the program manager for deposit back
813 into the student's scholarship account in accordance with the school's standard
814 refund policies; and

815 (vi) beginning the 2026-2027 school year, a statement that the school's published
816 tuition costs, fees, and refund policies are identical for scholarship students and
817 regularly enrolled students, and that scholarship students will not be charged
818 different amounts or subject to different refund terms than other students enrolled
819 in the same programs;

820 [(+) (e) require the following individuals to submit to a nationwide, fingerprint-based
821 criminal background check and ongoing monitoring, in accordance with Section
822 53G-11-402, as a condition for employment or appointment, as authorized by the
823 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:

824 (i) an employee who does not hold:

825 (A) a current Utah educator license issued by the state board under Title 53E,
826 Chapter 6, Education Professional Licensure; or

827 (B) if the private school is not physically located in Utah, a current educator
828 license in the state where the private school is physically located; and

829 (ii) a contract employee[-];

830 (f) beginning the 2026-2027 school year, maintain and operate a functioning website
831 that includes:

832 (i) clearly posted tuition costs;

833 (ii) all additional fees required during the school year;

834 (iii) the school's refund and reimbursement policies in an easily accessible location;

835 (iv) contact information for the school's administration; and

836 (v) the school's physical address;

837 (g) beginning the 2026-2027 school year, report to the program manager within five
838 business days when a scholarship student withdraws from the school during the
839 school year; and

840 (h) beginning the 2026-2027 school year, ensure that all tuition charges, fees, and refund
841 policies applied to scholarship students are identical to those applied to regularly
842 enrolled students in the same programs or grade levels.

843 (2)(a) The program manager shall ensure that:

844 (i) the verification required under Subsection (1)(a)(i):

845 (A) is from an audit or agreed upon procedures engagement completed within the
 846 12 months immediately preceding the private school's application to receive
 847 scholarship funds;

848 (B) confirms that the audit or agreed upon procedures engagement found the
 849 private school to be financially solvent with adequate working capital to
 850 maintain operations; and

851 (C) does not include the underlying audit report or detailed financial information.

852 (b) The program manager:

853 (i) may only verify that the required audit or agreed upon procedures engagement
 854 was completed and found general financial solvency;

855 (ii) may not conduct, commission, or be involved in the audit or agreed upon
 856 procedures engagement; and

857 (iii) may not review detailed financial records of the private school beyond the
 858 verification described in Subsection (2)(a)(i).

859 ~~[(2)]~~ (3) A private school described in Subsection (1) is not eligible to receive scholarship
 860 funds if:

861 (a) the private school requires a scholarship student to sign a contract waiving the
 862 scholarship student's right to transfer to another qualifying provider during the school
 863 year;

864 (b) the verification required under Subsection (1)(a) indicates that the audit report
 865 contains a going concern explanatory paragraph; or

866 (c) the verification required under Subsection (1)(a) indicates that the report of the
 867 agreed upon procedures shows that the private school does not have adequate
 868 working capital to maintain operations for the first full year.

869 ~~[(b) the audit report described in Subsection (1)(a) contains a going concern explanatory~~
 870 ~~paragraph; or]~~

871 ~~[(e) the report of the agreed upon procedures described in Subsection (1)(a) shows that~~
 872 ~~the private school does not have adequate working capital to maintain operations for~~
 873 ~~the first full year.]~~

874 ~~[(3)]~~ (4) To be eligible to receive scholarship funds on behalf of a scholarship student as an
 875 eligible school, a private school with fewer than 150 enrolled students shall:

876 (a) provide to the program manager and financial administrator:

877 (i) a federal employer identification number;

878 (ii) the provider's address and contact information;

- 879 (iii) a description of each program or service the provider proposes to offer a
880 scholarship student; and
- 881 (iv) any other information as required by the program manager or financial
882 administrator;[~~and~~]
- 883 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d[-] ;
- 884 (c) beginning the 2026-2027 school year, maintain and operate a functioning website
885 that includes:
- 886 (i) clearly posted tuition costs;
- 887 (ii) all additional fees required during the school year;
- 888 (iii) the school's refund and reimbursement policies in an easily accessible location;
- 889 (iv) contact information for the school's administration; and
- 890 (v) the school's address;
- 891 (d) provide a written disclosure to the parent of each prospective scholarship student,
892 before the student is enrolled, that includes:
- 893 (i) tuition costs;
- 894 (ii) additional fees required during the school year; and
- 895 (iii) a clear statement that if a scholarship student withdraws and the school's refund
896 policy provides for a tuition refund, the school shall remit any refund directly to
897 the program manager for deposit back into the student's scholarship account in
898 accordance with the school's standard refund policies;
- 899 (e) beginning the 2026-2027 school year, a statement that the school's published tuition
900 costs, fees, and refund policies are identical for scholarship students and regularly
901 enrolled students; and
- 902 (f) beginning the 2026-2027 school year, report to the program manager within five
903 business days when a scholarship student withdraws from the school during the
904 school year.
- 905 [(4)] (5) A private school described in Subsection [(3)] (4) is not eligible to receive
906 scholarship funds if the private school requires a scholarship student to sign a contract
907 waiving the student's rights to transfer to another qualifying provider during the school
908 year.
- 909 [(5)] (6) To be eligible to receive scholarship funds on behalf of a scholarship student as an
910 eligible school, an LEA shall:
- 911 (a) provide to the program manager and financial administrator:
- 912 (i) a federal employer identification number;

- 913 (ii) the LEA's address and contact information; and
- 914 (iii) the amount to be charged under the program, in correlation with the LEA's
- 915 course and activity fee schedules, and a description of a class, program, or service
- 916 the LEA provides to a scholarship student;
- 917 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 918 (c) ensure the provision of services to a scholarship student through which:
- 919 (i) the scholarship student does not enroll in the LEA; and
- 920 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU
- 921 funding related to the student's participation with the LEA;
- 922 (d) treat a scholarship student the same as the LEA would treat an enrolled student,
- 923 including in:
- 924 (i) participation allowances;
- 925 (ii) audition rules;
- 926 (iii) athletic team participation;
- 927 (iv) extracurricular activities; and
- 928 (v) co-curricular activities;
- 929 (e) not deny a scholarship student participation in any activity, team, or program simply
- 930 because:
- 931 (i) the student is a scholarship student; or
- 932 (ii) of liability concerns specific to the student's scholarship status;
- 933 (f) establish a transparent and fair fee structure for scholarship expenses offered by the
- 934 LEA, including a fee schedule that:
- 935 (i) is based on actual costs of providing services;
- 936 (ii) is consistent with fees charged to enrolled students;
- 937 (iii) itemizes all charges and fees;
- 938 (iv) explains the basis for each fee; and
- 939 (v) is updated annually;
- 940 (g) provide the same liability coverage to scholarship students as provided to enrolled
- 941 students; and
- 942 (h) in accordance with Subsection 53F-6-402(7), create and maintain a distinct identifier
- 943 in the LEA's student information system that:
- 944 (i) clearly identifies a scholarship student; and
- 945 (ii) distinguishes the scholarship student from a student enrolled in the LEA.
- 946 [(6)] (7) An LEA described in Subsection [(5)] (6) is not eligible to receive scholarship funds

- 947 if:
- 948 (a) the LEA requires a public education system scholarship student to sign a contract
- 949 waiving the student's rights to engage with another qualifying provider for a
- 950 scholarship expense during the school year; or
- 951 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship
- 952 students under the program.

953 ~~[(7)]~~ (8) Residential treatment facilities licensed by the state are not eligible to receive

954 scholarship funds.

955 ~~[(8)]~~ (9) A private school or LEA intending to receive scholarship funds shall:

- 956 (a)(i) for a private school, submit an application to the program manager; or
- 957 (ii) for an LEA, submit a notice to the program manager containing the information
- 958 described in Subsection ~~[(5)(a)]~~ (6)(a); and
- 959 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or
- 960 scholarship student's parents in any manner except remittances or refunds processed
- 961 through the financial administrator to a scholarship account in accordance with this
- 962 part and procedures that the program manager establishes, and the payment schedule
- 963 described in Section 53F-6-411.

964 ~~[(9)]~~ (10) The program manager shall:

- 965 (a) if the private school or LEA meets the eligibility requirements of this section,
- 966 recognize the private school or LEA as an eligible school and, for a private school,
- 967 approve the application; and
- 968 (b) make available to the public a list of eligible schools approved under this section.

969 ~~[(10)]~~ (11) A private school approved under this section that changes ownership shall:

- 970 (a) cease operation as an eligible school until:
- 971 (i) the school submits a new application to the program manager; and
- 972 (ii) the program manager approves the new application; and
- 973 (b) demonstrate that the private school continues to meet the eligibility requirements of
- 974 this section.

975 ~~[(11)]~~ (12) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

976 the state board shall establish rules for an LEA to create and publish fee structures for

977 scholarship students.

978 **Section 6. Effective Date.**

979 This bill takes effect:

- 980 (1) except as provided in Subsection (2), May 6, 2026; or

- 981 (2) if approved by two-thirds of all members elected to each house:
982 (a) upon approval by the governor;
983 (b) without the governor's signature, the day following the constitutional time limit of
984 Utah Constitution, Article VII, Section 8; or
985 (c) in the case of a veto, the date of veto override.