

1 **Outcome-based Investment Grant Pilot Framework**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

House Sponsor: Karen M. Peterson

2
3 **LONG TITLE**

4 **General Description:**

5 This bill establishes the Outcome-based Investment Grant Pilot Framework to provide a
6 process for administering certain grant funding for projects using measurable outcomes.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ defines terms;
- 10 ▶ establishes a pilot framework for a grant administering agency to award grant funding for
11 projects using measurable outcomes;
- 12 ▶ requires the Office of the Legislative Fiscal Analyst and the Governor's Office of
13 Planning and Budget to establish evaluation standards and requirements;
- 14 ▶ requires grant applicants to submit a pre-analysis plan identifying expected outcomes and
15 metrics;
- 16 ▶ requires the use of independent evaluators to measure project outcomes;
- 17 ▶ authorizes review of evaluation findings by the Office of the Legislative Auditor General;
- 18 ▶ requires certain reporting from the administering agency to a relevant appropriations
19 subcommittee;
- 20 ▶ includes appropriations for use under the Outcome-based Investment Grant Pilot
21 Framework; and
- 22 ▶ establishes a sunset date for the pilot framework.

23 **Money Appropriated in this Bill:**

24 This bill appropriates \$9,000,000 in operating and capital budgets for fiscal year 2027,
25 including:

- 26 ▶ \$4,500,000 from Income Tax Fund; and
- 27 ▶ \$4,500,000 from various sources as detailed in this bill.

28 **Other Special Clauses:**

29 This bill provides a special effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **63I-1-263**, as last amended by Laws of Utah 2025, Chapters 391, 512

33 ENACTS:

34 **63G-6b-402**, Utah Code Annotated 1953

35

36 *Be it enacted by the Legislature of the state of Utah:*37 Section 1. Section **63G-6b-402** is enacted to read:38 **63G-6b-402 . Outcome-based Investment Grant Pilot Framework.**39 (1) As used in this section:40 (a) "Independent evaluator" means an individual or entity that:41 (i) is not involved in implementing a project receiving grant funding under the pilot42 framework; and43 (ii) meets the evaluation standards that the Office of the Legislative Auditor General44 establishes under this section.45 (b) "Evaluation framework" means the evaluation framework the Office of the46 Legislative Auditor General establishes in accordance with Subsection (5).47 (c) "Pilot framework" means the Outcome-based Investment Grant Pilot Framework that48 this section establishes.49 (d) "Pre-analysis plan" means a written plan that:50 (i) a grant applicant submits during the grant application process and before51 beginning project implementation;52 (ii) identifies the specific outcomes the applicant intends the proposed project to53 achieve;54 (iii) specifies the metrics for measuring each intended outcome of the proposed55 project;56 (iv) describes the evaluation methodology that will apply to the proposed project,57 including any comparison to control data or counterfactual approach; and58 (v) complies with the standards that the Office of the Legislative Auditor General59 establishes under this section.60 (2)(a) This section creates a pilot framework governing the administration of certain61 competitive grant programs using measurable outcomes known as the

- 62 Outcome-based Investment Grant Pilot Framework.
- 63 (b) This section only applies to a grant that receives funding from an appropriation in
64 which the Legislature expressly declares the intent for the administering agency to
65 administer the grant under the pilot framework.
- 66 (3) Upon an expression of legislative intent for an agency to administer a grant under the
67 pilot framework in a legislative appropriation, the administering agency shall:
- 68 (a) administer a grant program in accordance with the pilot framework; and
69 (b) only award grants under the pilot framework for projects that comply with the
70 evaluation framework described in Subsection (5).
- 71 (4)(a) An applicant for a grant under the pilot framework shall submit an application:
- 72 (i) in a form that the administering agency prescribes; and
73 (ii) that includes a pre-analysis plan that:
- 74 (A) identifies the intended outcomes of the proposed project; and
75 (B) provides a significant measurement and evaluation framework to demonstrate
76 the effect of the project on the intended outcomes.
- 77 (b) The administering agency may not award a grant unless the administering agency
78 determines that the applicants pre-analysis plan satisfies the evaluation framework
79 requirements described in Subsection (5).
- 80 (5) The Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and
81 Budget shall establish:
- 82 (a) an evaluation framework applicable to the pilot framework that includes standards
83 governing:
- 84 (i) acceptable outcome measures;
85 (ii) required elements of a pre-analysis plan;
86 (iii) acceptable evaluation methodologies; and
87 (iv) minimum data collection and reporting requirements; and
- 88 (b) standards governing independent evaluators, including:
- 89 (i) independence and conflict-of-interest requirements;
90 (ii) minimum qualifications and expertise;
91 (iii) acceptable evaluation designs and levels of rigor; and
92 (iv) reporting and transparency requirements.
- 93 (6)(a) A recipient of a grant under this section shall participate in an independent
94 evaluation of the funded project.
- 95 (b) An independent evaluator shall:

- 96 (i) measure and assess the extent to which the project caused the outcomes identified
 97 in the pre-analysis plan;
 98 (ii) compare actual outcomes to the projected outcomes in the pre-analysis plan using
 99 the metrics described in the pre-analysis plan; and
 100 (iii) provide a written report of the independent evaluation to the administering
 101 agency.
- 102 (c) Unless the Legislature indicates otherwise in a specific appropriation for a grant
 103 under the framework, the administering agency may use up to 5% of funds the
 104 Legislature appropriates to procure the independent evaluation described in this
 105 Subsection (6).
- 106 (d) The Office of the Legislative Auditor General may:
 107 (i) review the findings of an independent evaluation described in this Subsection (6);
 108 and
 109 (ii) assess the methodological rigor, validity, and reliability of the evaluation.
- 110 (7) The administering agency shall annually report to the agency's relevant legislative
 111 appropriations subcommittee regarding the administration of the grant under the pilot
 112 framework, including:
 113 (a) a summary of the number and type of grants the administering agency awards under
 114 the pilot framework;
 115 (b) the progress of grant projects;
 116 (c) available outcome data;
 117 (d) impact data; and
 118 (e) the results of any independent evaluations of a grant project.
- 119 (8) Nothing in this section requires the administering agency to terminate funding solely
 120 based on evaluation results.

121 Section 2. Section **63I-1-263** is amended to read:

122 **63I-1-263 . Repeal dates: Titles 63A to 63O.**

- 123 (1) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1,
 124 2028.
- 125 (2) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed
 126 December 31, 2026.
- 127 (3) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.
- 128 (4) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.
- 129 (5) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.

- 130 (6) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is repealed July
131 1, 2028.
- 132 (7) Section 63G-6a-805, Purchase from community rehabilitation programs, is repealed
133 July 1, 2026.
- 134 (8) Section 63G-6b-402, Outcome-based Investment Grant Pilot Framework, is repealed
135 July 1, 2031.
- 136 [~~(8)~~] (9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
137 2028.
- 138 [~~(9)~~] (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July
139 1, 2029.
- 140 [~~(10)~~] (11) Subsection 63J-1-602.2(16), related to the Communication Habits to reduce
141 Adolescent Threats (CHAT) Pilot Program, is repealed July 1, 2029.
- 142 [~~(11)~~] (12) Subsection 63J-1-602.2(26), regarding the Utah Seismic Safety Commission, is
143 repealed January 1, 2025.
- 144 [~~(12)~~] (13) Section 63L-11-204, Canyon resource management plan, is repealed July 1, 2027.
- 145 [~~(13)~~] (14) Title 63L, Chapter 11, Part 4, Resource Development Coordinating Committee,
146 is repealed July 1, 2027.
- 147 [~~(14)~~] (15) Title 63M, Chapter 7, Part 7, Domestic Violence Offender Treatment Board, is
148 repealed July 1, 2027.
- 149 [~~(15)~~] (16) Section 63M-7-902, Creation -- Membership -- Terms -- Vacancies -- Expenses,
150 is repealed July 1, 2029.
- 151 [~~(16)~~] (17) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2026.
- 152 [~~(17)~~] (18) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.
- 153 [~~(18)~~] (19) Subsection 63N-2-511(1)(b), regarding the Board of Tourism Development, is
154 repealed July 1, 2030.
- 155 [~~(19)~~] (20) Section 63N-2-512, Hotel Impact Mitigation Fund, is repealed July 1, 2028.
- 156 [~~(20)~~] (21) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is
157 repealed July 1, 2027.
- 158 [~~(21)~~] (22) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant Program, is
159 repealed July 1, 2028.
- 160 [~~(22)~~] (23) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed
161 July 1, 2028.
- 162 [~~(23)~~] (24) Section 63N-4-804, Rural Opportunity Advisory Committee, is repealed July 1,
163 2027.

164 [~~(24)~~] (25) Subsection 63N-4-805(5)(b), regarding the Rural Employment Expansion
 165 Program, is repealed July 1, 2028.
 166 [~~(25)~~] (26) Subsection 63N-7-101(1), regarding the Board of Tourism Development, is
 167 repealed July 1, 2030.
 168 [~~(26)~~] (27) Subsection 63N-7-102(3)(c), regarding a requirement for the Utah Office of
 169 Tourism to receive approval from the Board of Tourism Development, is repealed July
 170 1, 2030.
 171 [~~(27)~~] (28) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed July 1,
 172 2030.

173 Section 3. **FY 2027 Appropriations.**

174 The following sums of money are appropriated for the fiscal year beginning July 1,
 175 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
 176 fiscal year 2027.

177 Subsection 3(a). **Operating and Capital Budgets**

178 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 179 Legislature appropriates the following sums of money from the funds or accounts indicated for
 180 the use and support of the government of the state of Utah.

181 ITEM 1 To Utah Board of Higher Education - Administration

From Income Tax Fund, One-time	4,500,000
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183 Schedule of Programs:

Pass Through Funding	4,500,000
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185 The Legislature intends that the Utah Board of
 186 Higher Education:

187 (1) use the funds appropriated in this item to
 188 administer, under the Outcome-based Investment Grant
 189 Pilot Framework described in Section 63G-6b-402, a
 190 grant designed to improve upward mobility through the
 191 use of a digital data inventory to measure improvement
 192 in an individual's educational or economic outcomes,
 193 including:

- 194 (a) educational attainment or credential
- 195 completion;
- 196 (b) persistence, transfer, or completion within
- 197 postsecondary education

198 (c) employment, job placement, or labor market
 199 attachment;
 200 (d) earnings, wage growth, or income stability; or
 201 (e) other indicators of economic opportunity or
 202 advancement; and
 203 (2) provide the reports described in Subsection
 204 63G-6b-402 to the Higher Education Appropriations
 205 Subcommittee.

206 ITEM 2 To State Board of Education - Contracted Initiatives and Grants
 207 From Public Education Economic Stabilization
 208 Restricted Account, One-time

4,500,000

209 Schedule of Programs:

210 Contracts and Grants

4,500,000

211 The Legislature intends that the State Board of
 212 Education:

213 (1) use the funds appropriated in this item to
 214 administer a grant under the Outcome-based Investment
 215 Grant Pilot Framework described in Section 63G-6b-402
 216 for up to two local education agencies to create a
 217 comprehensive school improvement pilot program for
 218 one or more chronically under-performing schools that:

- 219 (a) uses evidence-based practices, modeled on
- 220 the practices the Houston Independent School District
- 221 implemented in underperforming campuses beginning in
- 222 June 1, 2023, to:
 - 223 (i) hold teachers and principals to clear and
 - 224 measurable performance expectations tied to
 - 225 improvement in student outcomes; and
 - 226 (ii) recruit and retain high-quality educators and
 - 227 school leaders through enhanced compensation for
 - 228 teachers and principals who meet the performance
 - 229 expectations, intensive coaching, extended planning time,
 - 230 centralized instructional supports, targeted professional
 - 231 development aligned to school-specific needs;

232 (b) may provide funding to:
233 (i) create clearly defined performance standards,
234 frequent assessment of student learning, and transparent
235 evaluation systems tied to demonstrated instructional
236 effectiveness and student outcomes;
237 (ii) support rigorous accountability structures for
238 educators and students; and
239 (iii) support program design, staffing,
240 compensation adjustments instructional coaching,
241 curriculum alignment, extended planning time, and
242 evaluation; and
243 (c) does not support general operations or
244 otherwise supplant or displace existing funding; and
245 (2) provide the reports described in Subsection
246 63G-6b-402 to the Public Education Appropriations
247 Subcommittee.

248 Section 4. **Effective Date.**

249 This bill takes effect on July 1, 2026.