

## SB0189S01 compared with SB0189

**{Omitted text}** shows text that was in SB0189 but was omitted in SB0189S01  
**inserted text** shows text that was not in SB0189 but was inserted into SB0189S01

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**School District Funding Amendments**

**2026 GENERAL SESSION**

**STATE OF UTAH**

**Chief Sponsor: Emily Buss**

**House Sponsor:**

# LONG TITLE

### **General Description:**

This bill creates the High Growth District Grant Program.

## Highlighted Provisions:

This bill:

- defines terms;
- creates the High Growth District Grant Program;
- establishes eligibility criteria for school districts experiencing significant enrollment growth;
- provides special provisions for newly created or reorganized school districts;
- provides a distribution formula for grant funds; and
- authorizes the State Board of Education to establish an application process by rule.

## **Money Appropriated in this Bill:**

- **This bill appropriates \$15,000,000 in operating and capital budgets for fiscal year 2027, all of which is from the various sources as detailed in this bill.**

## **Other Special Clauses:**

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19        None

## 20        **Utah Code Sections Affected:**

21        ENACTS:

22        **53F-10-401** , Utah Code Annotated 1953

23        **53F-10-402** , Utah Code Annotated 1953

24        **53F-10-403** , Utah Code Annotated 1953

25        **53F-10-404** , Utah Code Annotated 1953

26        **53F-10-405** , Utah Code Annotated 1953

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

28        Section 1. Section 1 is enacted to read:

29        **53F-10-401. General provisions -- Definitions.**

30        4. High Growth District Grant Program

31        As used in this part:

32        (1) "ADM" means average daily membership, as defined in Section 53F-2-102, excluding a pupil who  
33        is fully enrolled in an online education program for at least 180 days.

34        (2) "Average annual net enrollment increase" means the sum of a school district's net enrollment  
35        increase for each year during the three school years immediately preceding the fiscal year for which  
36        the school district applies for a grant divided by three.

37        (3) "Eligible district" means a school district that meets the requirements described in Section  
38        53F-10-403.

39        (4) "High growth district" means a school district whose average annual net enrollment increase  
40        represents at least 10% of the state's total net enrollment increase as calculated by the state board  
41        under Section 53F-10-403.

42        (5) "Net enrollment increase" means:

43        (a) for a fiscal year, the difference, if positive, between a school district's ADM for the fiscal year and  
44        the school district's ADM for the previous fiscal year; or

45        (b) for a projected year, the difference, if positive, between a school district's projected ADM for the  
46        fiscal year and the school district's ADM for the most recent fiscal year for which data is available.

47        (6) "Program" means the High Growth District Grant Program created in Section 53F-10-402.

48        Section 2. Section 2 is enacted to read:

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### **53F-10-402. High Growth District Grant Program created -- Purpose -- State board duties.**

(1) The High Growth District Grant Program is created to provide funding to high growth districts for:

(a) ~~{land acquisition}~~ acquiring land and facilities to accommodate enrollment growth, including purchasing land for future school sites, purchasing existing buildings, and related construction or renovation; and

(b) ~~expanding~~ transportation infrastructure ~~{expansion}~~ to accommodate ~~{rapid}~~ enrollment growth, including purchasing school buses and constructing or expanding transportation facilities.

(2) The state board shall:

(a) evaluate applications for program grants from eligible districts;

(b) determine which eligible districts qualify as high growth districts in accordance with Section 53F-10-403;

(c) distribute program funds to eligible districts in accordance with Section 53F-10-404;

(d) establish an application process, timeline, and reporting requirements by rule in accordance with Section 53F-10-405; and

(e) upon request, report to the Public Education Appropriations Subcommittee regarding:

(i) the number of applications received;

(ii) the amount of program funds distributed;

(iii) how eligible districts use program funds; and

(iv) enrollment growth trends in eligible districts.

Section 3. Section 3 is enacted to read:

### **53F-10-403. Eligibility requirements -- High growth district determination.**

(1) A school district is an eligible district if:

(a) the school district has a positive average annual net enrollment increase; and

(b) the state board determines that the school district is a high growth district under Subsection (2).

(2)

(a) The state board shall determine which eligible districts qualify as high growth districts by calculating each school district's share of the state's total net enrollment increase.

(b) In making a determination under Subsection (2)(a), the state board shall:

(i) calculate the sum of average annual net enrollment increases for all school districts that have a positive average annual net enrollment increase, excluding school districts with stable or declining enrollment;

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82 (ii) for each school district described in Subsection (2)(b)(i), calculate the ratio of the school district's  
83 average annual net enrollment increase to the sum calculated under Subsection (2)(b)(i); and  
84 (iii) designate as a high growth district each school district whose ratio calculated under Subsection (2)  
85 (b)(ii) is equal to or greater than 0.10.

86 (3) In calculating net enrollment increases under this section, the state board:  
87 (a) shall use ADM data from the three most recent fiscal years for which data is available; and  
88 (b) may include projected enrollment data for the upcoming fiscal year if:  
89 (i) the school district provides documentation supporting the projection; and  
90 (ii) the state board determines the projection is reasonable based on:  
91 (A) historical enrollment trends;  
92 (B) residential construction permits issued within the school district's boundaries;  
93 (C) population growth data from the Utah Population Committee created in Section 63C-20-103; and  
94 (D) other demographic data the state board considers relevant.  
95 (4) The state board shall recalculate high growth district designations annually.  
96 (5)  
97 (a) For purposes of calculating net enrollment increase under this section, if a school district is created  
98 through a split, consolidation, or reorganization of one or more existing school districts:  
99 (i) for the fiscal year in which the new or reorganized school district is created, the state board shall  
100 calculate the new or reorganized school district's net enrollment increase by:  
101 (A) using as the baseline ADM the number of students from the geographic territory served by the new  
102 or reorganized school district who were enrolled in the predecessor district or districts for the fiscal  
103 year immediately preceding the creation or reorganization; and  
104 (B) comparing the baseline ADM under Subsection (5)(a)(i)(A) to the new or reorganized school  
105 district's actual ADM for the fiscal year;  
106 (ii) for the two fiscal years immediately following the fiscal year described in Subsection (5)(a)  
107 (i), the state board shall calculate the new or reorganized school district's average annual net  
108 enrollment increase using:  
109 (A) the calculation described in Subsection (5)(a)(i) for the fiscal year in which the district was created  
110 or reorganized;  
111 (B) actual year-over-year ADM changes for each subsequent fiscal year; and  
112 (C) projected enrollment data under Subsection (3)(b) if applicable; and

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118 (iii) beginning with the third fiscal year after the creation or reorganization, the state board shall  
calculate the school district's average annual net enrollment increase using the standard  
methodology described in Subsection (2).

121 (b) For purposes of calculating net enrollment increase under this section, if a school district loses  
territory or students due to a split, consolidation, or reorganization:

123 (i) for the fiscal year in which the split, consolidation, or reorganization occurs, the state board shall  
calculate the remaining school district's net enrollment increase by:

126 (A) using as the baseline ADM the remaining school district's ADM for the fiscal year immediately  
preceding the split, consolidation, or reorganization, adjusted to exclude the ADM of students who  
were transferred to another district; and

129 (B) comparing the adjusted baseline ADM under Subsection (5)(b)(i)(A) to the remaining school  
district's actual ADM for the fiscal year;

131 (ii) for the two fiscal years immediately following the fiscal year described in Subsection (5)(b)(i), the  
state board shall calculate the remaining school district's average annual net enrollment increase  
using:

134 (A) the calculation described in Subsection (5)(b)(i) for the fiscal year in which the split, consolidation,  
or reorganization occurred;

136 (B) actual year-over-year ADM changes for each subsequent fiscal year; and

137 (C) projected enrollment data under Subsection (3)(b) if applicable; and

138 (iii) beginning with the third fiscal year after the split, consolidation, or reorganization, the state board  
shall calculate the school district's average annual net enrollment increase using the standard  
methodology described in Subsection (2).

142 (c) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative  
Rulemaking Act, to establish:

144 (i) procedures for implementing the calculations described in Subsections (5)(a) and (5)(b);

146 (ii) documentation requirements for school districts affected by a split, consolidation, or reorganization;

148 (iii) methods for allocating historical enrollment growth among successor districts when necessary to  
implement this subsection; and

150 (iv) methods for determining the baseline ADM for each new or reorganized district's geographic  
territory when historical data for the specific territory is not readily available.

158 Section 4. Section 4 is enacted to read:

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### 53F-10-404. Grant distribution formula -- Allowable uses.

159       (1) Subject to available appropriations, the state board shall annually allocate program funds to eligible  
155       districts in accordance with this section.

157       (2) The state board shall distribute to each eligible district an amount equal to the product of:

159       (a) the quotient of:

160       (i) the eligible district's average annual net enrollment increase; divided by  
161       (ii) the sum of the average annual net enrollment increases for all eligible districts; and  
163       (b) the total amount appropriated for the program for the fiscal year.

164       (3) An eligible district that receives a grant under this section may use the grant funds only for:

171       (a) acquiring facilities, including:

166       (a){(i)} purchasing land for future school sites{, including:};  
173       (ii) purchasing existing buildings for conversion to educational use;  
167       (i){(iii)} conducting feasibility studies;  
168       (ii){(iv)} obtaining appraisals;  
169       (iii){(v)} paying closing costs; and  
170       (iv){(vi)} conducting environmental assessments;  
178       (b) constructing, expanding, or renovating facilities to accommodate enrollment growth, including:  
180       (i) constructing new school buildings or additions;  
181       (ii) renovating purchased buildings for educational use; and  
182       (iii) expanding existing facilities;  
171       (b){(c)} expanding transportation infrastructure to serve new or expanded school facilities, including:  
173       (i) purchasing school buses;  
174       (ii) constructing or expanding bus barns or maintenance facilities; and  
175       (iii) implementing transportation management systems; or  
176       (c){(d)} paying for costs directly related to the activities described in {Subsektion} Subsections (3)(a)  
177       {or (3)(b)} through (3)(c).

178       (4) An eligible district may not use grant funds received under this section forongoing operational  
179       expenses, including:  
192       (a) salaries or benefits for personnel;  
179       (a){(b)} {school construction} utilities or {renovation} maintenance costs; {or}  
194       (c) instructional materials or supplies; or

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180 (b) {(d)} {ongoing} other recurring operational {expenses unrelated to land acquisition or  
181 transportation expansion} costs.

196 Section 5. Section 5 is enacted to read:

197 **53F-10-405. Application process and administration.**

184 (1) The state board shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative  
185 Rulemaking Act, to establish:

186 (a) an application process for school districts to apply for program grants, including:

187 (i) the application format and required documentation;

188 (ii) the timeline for submitting applications;

189 (iii) the criteria the state board uses to evaluate applications;

190 (iv) a process for school districts to demonstrate projected enrollment growth under Subsection  
191 53F-10-403(3)(b); and

192 (v) a process for prioritizing applications if appropriated funds are insufficient to fully fund all eligible  
193 districts;

194 (b) reporting requirements for eligible districts that receive program grants, including:

195 (i) how the eligible district uses grant funds;

196 (ii) progress toward completing projects funded by grant funds;

197 (iii) updates on enrollment growth; and

198 (iv) the impact of grant funds on the eligible district's ability to accommodate enrollment growth; and

200 (c) procedures for monitoring eligible districts' compliance with the requirements of this part and rules  
201 made under this section.

202 (2) An eligible district shall submit reports required under rules made under Subsection (1)(b):

204 (a) annually while the eligible district is using grant funds received under this part; and

205 (b) within one year after the eligible district completes a project funded by grant funds.

206 (3) If an eligible district uses grant funds in a manner that does not comply with Section 53F-10-404,  
207 the state board may:

208 (a) require the eligible district to return the improperly used funds to the state board; and

209 (b) make the eligible district ineligible for future grants under this part for up to three years.

225 **Section . FY 2027 Appropriations.**

226 The following sums of money are appropriated for the fiscal year beginning July 1,  
227 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for

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fiscal year 2027.

## **Subsection 6(a). Operating and Capital Budgets**

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

To State Board of Education - School Building Programs - Public Education

## Capital Projects

15,000,000

## Schedule of Programs:

15,000,000

## Section 7. Effective date.

### Effective Date.

This bill takes effect on May 6, 2026.

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