

John D. Johnson proposes the following substitute bill:

**Education Technology Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tiara Auxier**

Senate Sponsor: John D. Johnson

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**LONG TITLE**

**General Description:**

This bill requires the termination of a contract with a third-party provider in certain circumstances involving a failure to comply with state or federal privacy laws.

**Highlighted Provisions:**

This bill:

- defines terms;
- requires an education entity or a government agency contracting on behalf of an education entity to:
  - include certain provisions in a contract with a third-party contractor;
  - notify a third-party contractor of the contractor's unauthorized use of student data or information in violation of state or federal privacy laws; and
  - terminate a contract with a third-party contractor that does not remedy the privacy violation after notification;
- repeals a provision allowing a third-party contractor to respond to a student's request for information or feedback;
- requires the State Board of Education to conduct investigations of certain alleged violations and audits of certain agreements;
- creates a grant program for rural school districts to install and operate internet connectivity systems on school buses;
- establishes priority criteria for awarding grants;
- allows districts to combine grant money with district funds;
- requires grant recipients to commit to long-term operation of internet connectivity systems;
- requires the State Board of Education to make rules for grant administration; and
- makes technical changes.

29 **Money Appropriated in this Bill:**

30 This bill appropriates \$325,000 in operating and capital budgets for fiscal year 2027, all of  
31 which is from the various sources as detailed in this bill.

32 **Other Special Clauses:**

33 This bill provides a special effective date.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **53E-9-309**, as last amended by Laws of Utah 2020, Chapter 388

37 ENACTS:

38 **53F-2-402.5**, Utah Code Annotated 1953



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

40 Section 1. Section **53E-9-309** is amended to read:

41 **53E-9-309 . Third-party contractors.**

42 (1) A third-party contractor shall use personally identifiable student data received under a  
43 contract with an education entity strictly for the purpose of providing the contracted  
44 product or service within the negotiated contract terms.

45 (2)(a) When contracting with a third-party contractor, an education entity, or a  
46 government agency contracting on behalf of an education entity, shall[-] :

47 (i) require the following provisions in the contract:

48 [(a)] (A) requirements and restrictions related to the collection, use, storage, or  
49 sharing of student data by the third-party contractor that are necessary for the  
50 education entity to ensure compliance with the provisions of this part and state  
51 board rule;

52 [(b)] (B) a description of a person, or type of person, including an affiliate of the  
53 third-party contractor, with whom the third-party contractor may share student  
54 data;

55 [(c)] (C) provisions that, at the request of the education entity, govern the deletion  
56 of the student data received by the third-party contractor;

57 [(d)] (D) except as provided in Subsection (4) and if required by the education  
58 entity, provisions that prohibit the secondary use of personally identifiable  
59 student data by the third-party contractor;[-and]

60 [(e)] (E) an agreement by the third-party contractor that, at the request of the  
61 education entity that is a party to the contract, the education entity or the  
62

- 63 education entity's designee may audit the third-party contractor to verify  
64 compliance with the contract[-] ; and
- 65 (F) provisions describing the education entity's or government agency's statutory  
66 duty to terminate the contract in the case of a privacy violation in accordance  
67 with Subsection (2)(a)(iii) and prohibiting any fee or financial liability for the  
68 termination;
- 69 (ii) within 30 days after the day on which the education entity or government agency  
70 discovers a third-party contractor's unauthorized use of student data or information  
71 in violation of state or federal privacy laws, including this chapter, the Family  
72 Education Rights and Privacy Act and related provisions under 20 U.S.C. Secs.  
73 1232g and 1232h, the Children's Online Privacy Protection Act, 15 U.S.C. Sec.  
74 6501 et seq., and any associated regulations, provide notice to the third-party  
75 contractor of:
- 76 (A) the violation of the relevant state or federal privacy law; and  
77 (B) the education entity's or government agency's duty to terminate the contract  
78 under Subsection (2)(a)(iii); and
- 79 (iii) no sooner than 30 days after the day on which the education entity or  
80 government agency provides the notice described in Subsection (2)(a)(ii),  
81 terminate the contract with the third-party contractor if the contractor does not:
- 82 (A) remedy the privacy violation to the greatest extent practicable, in the  
83 determination of the education entity or government agency; and  
84 (B) establish processes and procedures to prevent the failure of compliance from  
85 re-occurring.
- 86 (b) A third-party contractor may not impose a fee, seek damages, or otherwise assert any  
87 financial liability against an education entity or government agency that terminates a  
88 contract as a consequence of the contractor's unauthorized use of student data or  
89 information in violation of a relevant state or federal privacy law under Subsection  
90 (2)(a)(iii).
- 91 (c)(i) A person may submit a report of a suspected violation directly to the state board  
92 student data privacy team, through a reporting process that state board policy  
93 establishes.
- 94 (ii) Upon receipt of a report described in Subsection (2)(c)(i), the state board student  
95 data privacy team shall, in accordance with state board policies and procedures:
- 96 (A) conduct an initial review to determine whether the report is credible, relevant,

- 97                   and sufficiently specific to warrant action; and
- 98                   (B) if the report meets the standard described in Subsection (2)(c)(ii)(A), initiate a
- 99                   compliance audit or investigation of the relevant third-party contractor.
- 100           (d) To combat data protection misunderstandings or misconceptions, state board staff
- 101           shall create materials or resources to be made available to third-party contractors.
- 102   (3) As authorized by law or court order, a third-party contractor shall share student data as
- 103       requested by law enforcement.
- 104   (4) A third-party contractor may:
- 105       (a) use student data for adaptive learning or customized student learning purposes;
- 106       (b) market an educational application or product to a parent of a student if the third-party
- 107           contractor did not use student data, shared by or collected on behalf of an education
- 108           entity, to market the educational application or product;
- 109       (c) use a recommendation engine to recommend to a student:
- 110           (i) content that relates to learning or employment, within the third-party contractor's
- 111               application, if the recommendation is not motivated by payment or other
- 112               consideration from another party; or
- 113           (ii) services that relate to learning or employment, within the third-party contractor's
- 114               application, if the recommendation is not motivated by payment or other
- 115               consideration from another party;
- 116       ~~[(d) respond to a student request for information or feedback, if the content of the~~
- 117       ~~response is not motivated by payment or other consideration from another party;]~~
- 118       ~~[(e)]~~ (d) use student data to allow or improve operability and functionality of the
- 119           third-party contractor's application; or
- 120       ~~[(f)]~~ (e) identify for a student nonprofit institutions of higher education or scholarship
- 121           providers that are seeking students who meet specific criteria if the criteria does not
- 122           include a personal identity characteristic as that term is defined in Section 53B-1-118:
- 123           (i) regardless of whether the identified nonprofit institutions of higher education or
- 124               scholarship providers provide payment or other consideration to the third-party
- 125               contractor; and
- 126           (ii) only if the third-party contractor obtains authorization in writing from:
- 127               (A) a student's parent through the student's school or LEA; or
- 128               (B) for an adult student, the student.
- 129   (5) At the completion of a contract with an education entity, if the contract has not been
- 130       renewed, a third-party contractor shall return or delete ~~[upon the education entity's~~

131 request] all personally identifiable student data under the control of the education entity  
 132 unless [a student or] the student's parent [consents] gives written consent to the  
 133 third-party contractor's maintenance of the personally identifiable student data.

134 (6)(a) A third-party contractor may not:

- 135 (i) except as provided in Subsection (6)(b), sell student data;
- 136 (ii) collect, use, or share student data, if the collection, use, or sharing of the student  
 137 data is inconsistent with the third-party contractor's contract with the education  
 138 entity; or
- 139 (iii) use student data for targeted advertising.

140 (b) A person may obtain student data through the purchase of, merger with, or otherwise  
 141 acquiring a third-party contractor if the third-party contractor remains in compliance  
 142 with this section.

143 (7) The provisions of this section do not:

- 144 (a) apply to the use of a general audience application, including the access of a general  
 145 audience application with login credentials created by a third-party contractor's  
 146 application;
- 147 (b) apply if the student data is shared in accordance with the education entity's directory  
 148 information policy, as described in 34 C.F.R. 99.37;
- 149 (c) apply to the providing of Internet service; or
- 150 (d) impose a duty on a provider of an interactive computer service, as defined in 47  
 151 U.S.C. Sec. 230, to review or enforce compliance with this section.

152 (8) A provision of this section that relates to a student's student data does not apply to a  
 153 third-party contractor if the education entity or third-party contractor obtains  
 154 authorization from the following individual, in writing, to waive that provision:

- 155 (a) the student's parent, if the student is not an adult student; or
- 156 (b) the student, if the student is an adult student.

157 Section 2. Section **53F-2-402.5** is enacted to read:

158 **53F-2-402.5 . Rural school district transportation grants.**

159 (1) As used in this section:

- 160 (a) "Eligible school" means a public school within a school district:  
 161 (i) located in a county of the fourth, fifth, or sixth class, as defined in Section  
 162 17-50-501; or  
 163 (ii) with fewer than 3,000 students enrolled in the school district.
- 164 (b) "Extended trip" means a school bus trip to a school-sponsored event, including an

165 athletic competition, academic competition, or club activity, that requires a student in  
166 grades 7 through 12 to travel more than 60 minutes one-way.

167 (c) "Rural school district" means a school district that operates one or more eligible  
168 schools.

169 (2) Subject to legislative appropriations, the state board shall distribute grant money to rural  
170 school districts to install and operate internet connectivity systems on school buses used  
171 for extended trips.

172 (3) A rural school district may apply to the state board for a grant under this section.

173 (4) The state board may award a grant to a rural school district that:

174 (a) operates one or more school bus routes that qualify as extended trips under  
175 Subsection (1)(b);

176 (b) submits an application in accordance with state board rule; and

177 (c) agrees to the requirements in Subsection (7).

178 (5) In awarding grants under this section, the state board shall give preference to rural  
179 school districts that do not currently have internet connectivity systems on school buses  
180 used for extended trips.

181 (6) Notwithstanding Subsection (5):

182 (a) subject to legislative appropriations, the state board shall ensure each eligible rural  
183 school district receives funding for at least two school buses; and

184 (b) the state board may not award a grant to a district in an amount that exceeds the total  
185 cost to:

186 (i) retrofit two school buses with internet connectivity systems; and

187 (ii) pay for internet connectivity services for two school buses for one year.

188 (7) A rural school district that receives a grant under this section shall:

189 (a) use grant money to:

190 (i) retrofit school buses with internet connectivity systems; and

191 (ii) provide internet access through a terrestrial wireless provider or a satellite  
192 internet service provider;

193 (b) assume responsibility for the cost of internet connectivity services after the grant  
194 money for services described in Subsection (7)(a)(ii) is expended;

195 (c) maintain internet connectivity systems and services on the retrofitted school buses  
196 for at least three years after receiving the grant;

197 (d) where applicable, coordinate with the Utah Education and Telehealth Network in the  
198 implementation and operation of internet connectivity systems;

- 199 (e) ensure that internet connectivity provided on school buses under this section  
 200 complies with the same content filtering and internet safety policies that apply to  
 201 internet access in the district's school buildings; and
- 202 (f) comply with reporting requirements established by the state board in rule under  
 203 Subsection (10).
- 204 (8) A rural school district may:
- 205 (a) use grant money awarded under this section in combination with the district's own  
 206 funds to:
- 207 (i) retrofit more than two school buses with internet connectivity systems; or  
 208 (ii) pay for more than one year of internet connectivity services for school buses; and
- 209 (b) if the cost of internet connectivity systems and services is less than the grant award  
 210 amount, use remaining grant funds to:
- 211 (i) retrofit additional school buses with internet connectivity systems;  
 212 (ii) pay for additional years of internet connectivity services; or  
 213 (iii) retrofit school buses other than those used for extended trips, after at least two  
 214 school buses used for extended trips have been retrofitted.
- 215 (9) If a grant recipient fails to maintain internet connectivity systems and services for the  
 216 three-year period required under Subsection (7)(c), the state board may require the  
 217 district to repay all or a portion of the grant money.
- 218 (10) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah  
 219 Administrative Rulemaking Act, to implement this section, including rules that establish:
- 220 (a) the grant application process and timeline;  
 221 (b) required elements of a grant application;  
 222 (c) a methodology for determining:
- 223 (i) the total cost to retrofit two school buses with internet connectivity systems; and  
 224 (ii) the annual cost for internet connectivity services for two school buses for one  
 225 year for purposes of the cap described in Subsection (6)(b); and
- 226 (d) reporting requirements for grant recipients.

227 **Section 3. FY 2027 Appropriations.**

228 The following sums of money are appropriated for the fiscal year beginning July 1,  
 229 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
 230 fiscal year 2027.

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

232 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the

233 Legislature appropriates the following sums of money from the funds or accounts indicated for  
234 the use and support of the government of the state of Utah.

235 ITEM 1 To State Board of Education - Contracted Initiatives and Grants

236 From Public Education Economic Stabilization

237 Restricted Account, One-time 325,000

238 Schedule of Programs:

239 Contracts and Grants 325,000

240 Section 4. **Effective Date.**

241 This bill takes effect on July 1, 2026.