

Ann Millner proposes the following substitute bill:

Higher Education Innovation

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen M. Peterson

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

This bill creates a pilot grant program for higher education research funding.

Highlighted Provisions:

This bill:

- defines terms;
- amends provisions regarding the Nucleus Institute, including:
 - authority regarding a facility on point of the mountain state land;
 - renaming the Utah Innovation Fund to the Nucleus Fund;
 - amending the appointment of certain positions and board members; and
 - amending compensation;
- allows the commissioner of higher education to undertake certain duties previously dedicated to the Utah Board of Higher Education (board);
- creates a pilot grant program for higher education research funding;
- requires the board to administer and approve funding grants, potentially through the Nucleus Institute, the Talent, Education, and Industry Alignment Board, or an ad hoc committee;
- requires the board to report on the research funding grant program; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates \$50,000,000 in operating and capital budgets for fiscal year 2027, all of which is from the Income Tax Fund.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

29 **11-59-202 (Effective 07/01/26) (Repealed 01/01/29)**, as last amended by Laws of Utah
30 2025, Chapter 31

31 **53E-10-310 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
32 Session, Chapter 9

33 **53H-1-402 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as renumbered and
34 amended by Laws of Utah 2025, First Special Session, Chapter 8

35 **53H-11-402 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
36 First Special Session, Chapter 8

37 **53H-11-403 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
38 First Special Session, Chapter 8

39 **53H-16-201 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
40 First Special Session, Chapter 8

41 **53H-16-202 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
42 First Special Session, Chapter 8

43 **53H-16-302 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
44 First Special Session, Chapter 8

45 **53H-16-303 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
46 First Special Session, Chapter 8

47 **53H-16-304 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
48 First Special Session, Chapter 8

49 **53H-16-402 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
50 First Special Session, Chapter 8

51 **53H-16-403 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
52 First Special Session, Chapter 8

53 **53H-16-404 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
54 First Special Session, Chapter 8

55 **53H-16-405 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
56 First Special Session, Chapter 8

57 **53H-16-406 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
58 First Special Session, Chapter 8

59 **53H-16-407 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
60 First Special Session, Chapter 8

61 **63I-1-253 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
62 Session, Chapter 9

63 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29)**, as last amended by Laws
 64 of Utah 2025, First Special Session, Chapter 17

65 ENACTS:

66 **53H-8-211 (Effective 07/01/26)**, Utah Code Annotated 1953

67

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

69 Section 1. Section **11-59-202** is amended to read:

70 **11-59-202 (Effective 07/01/26) (Repealed 01/01/29). Authority powers.**

71 The authority may:

- 72 (1) as provided in this chapter, plan, manage, and implement the development of the point
 73 of the mountain state land, including the ongoing operation of facilities on the point of
 74 the mountain state land;
- 75 (2) undertake, or engage a consultant to undertake, any study, effort, or activity the board
 76 considers appropriate to assist or inform the board about any aspect of the proposed
 77 development of the point of the mountain state land, including the best development
 78 model and financial projections relevant to the authority's efforts to fulfill [its] the
 79 authority's duties and responsibilities under this section and Section 11-59-203;
- 80 (3) sue and be sued;
- 81 (4) enter into contracts generally, including a contract for the sharing of records under
 82 Section 63G-2-206;
- 83 (5) buy, obtain an option upon, or otherwise acquire any interest in real or personal
 84 property, as necessary to accomplish the duties and responsibilities of the authority,
 85 including an interest in real property, apart from point of the mountain state land, or
 86 personal property, outside point of the mountain state land, for publicly owned
 87 infrastructure and improvements, if the board considers the purchase, option, or other
 88 interest acquisition to be necessary for fulfilling the authority's development objectives;
- 89 (6) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
 90 personal property;
- 91 (7) enter into a lease agreement on real or personal property, either as lessee or lessor;
- 92 (8) provide for the development of the point of the mountain state land under one or more
 93 contracts, including the development of publicly owned infrastructure and improvements
 94 and other infrastructure and improvements on or related to the point of the mountain
 95 state land;
- 96 (9) exercise powers and perform functions under a contract, as authorized in the contract;

- 97 (10) accept financial or other assistance from any public or private source for the authority's
98 activities, powers, and duties, and expend any funds so received for any of the purposes
99 of this chapter;
- 100 (11) borrow money, contract with, or accept financial or other assistance from the federal
101 government, a public entity, or any other source for any of the purposes of this chapter
102 and comply with any conditions of the loan, contract, or assistance;
- 103 (12) subject to Part 6, Authority Bonds, issue bonds to finance the undertaking of any
104 development objectives of the authority;
- 105 (13) issue bonds under [~~Title 11,~~]Chapter 17, Utah Industrial Facilities and Development
106 Act, and bonds under [~~Title 11,~~] Chapter 42, Assessment Area Act;
- 107 (14) hire employees, including contract employees, in addition to or in place of staff
108 provided under Section 11-59-304;
- 109 (15) transact other business and exercise all other powers provided for in this chapter;
- 110 (16) enter into a development agreement with a developer of some or all of the point of the
111 mountain state land;
- 112 (17) provide for or finance an energy efficiency upgrade, a clean energy system, or electric
113 vehicle charging infrastructure, as those terms are defined in Section 11-42a-102, in
114 accordance with [~~Title 11,~~]Chapter 42a, Commercial Property Assessed Clean Energy
115 Act;
- 116 (18) exercise powers and perform functions that the authority is authorized by statute to
117 exercise or perform;
- 118 (19) enter into one or more interlocal agreements under [~~Title 11,~~]Chapter 13, Interlocal
119 Cooperation Act, with one or more local government entities for the delivery of services
120 to the point of the mountain state land;
- 121 (20) enter into an agreement with the federal government or an agency of the federal
122 government, as the board considers necessary or advisable, to enable or assist the
123 authority to exercise its powers or fulfill its duties and responsibilities under this chapter;
- 124 (21) provide funding for the development of publicly owned infrastructure and
125 improvements or other infrastructure and improvements on or related to the point of the
126 mountain state land; [~~and~~]
- 127 (22) impose impact fees under [~~Title 11,~~]Chapter 36a, Impact Fees Act, and other fees
128 related to development activities[.] ; and
- 129 (23) coordinate or contract with a state agency for the use of a facility on point of the
130 mountain state land.

- 131 Section 2. Section **53E-10-310** is amended to read:
- 132 **53E-10-310 (Effective 07/01/26). Utah first credential program.**
- 133 (1) As used in this section:
- 134 (a) "Eligible institution" means an institution of higher education as defined in Section
- 135 53H-1-101.
- 136 (b) "First credential" means a certificate awarded by the state board to an eligible student
- 137 who meets the criteria described in Subsection (7).
- 138 (c)(i) "Industry-recognized credential" means a credential that is:
- 139 (A) developed and offered by, or endorsed by, a nationally recognized industry
- 140 association or organization representing a sizable portion of the industry sector;
- 141 (B) sought or accepted by employers within the industry or sector as a recognized,
- 142 preferred, or required credential for recruitment, screening, hiring, retention, or
- 143 advancement purposes; and
- 144 (C) regularly reviewed, updated, and validated by the issuing body to ensure
- 145 ongoing alignment with industry standards and labor market needs.
- 146 (ii) "Industry-recognized credential" may also include a credential offered through a
- 147 catalyst center as described in Section 53E-3-507.1.
- 148 (d) "Master credential list" means the list of approved industry-recognized credentials
- 149 maintained by the state board in accordance with this section.
- 150 (e) "Program" means the first credential program described in this section.
- 151 (f) "Technical college" means the same as that term is defined in Section 53H-1-101.
- 152 (2) The commissioner of higher education, the state superintendent of public instruction,
- 153 and the governor's education advisor shall establish the First Credential Oversight
- 154 Committee comprised of:
- 155 (a) representatives from industries, including:
- 156 (i) members of professional associations or trade groups; and
- 157 (ii) employers from high-demand sectors as the state board determines in
- 158 collaboration with the Utah Board of Higher Education and the Department of
- 159 Workforce Services;
- 160 (b) representatives from education including:
- 161 (i) members from the state board;
- 162 (ii) the director of the Catalyst Center Grant Program described in Section
- 163 53E-3-507.1;
- 164 (iii) LEA administrators, such as a superintendent or charter school director;

- 165 (iv) professionals from institutions of higher education, including technical colleges;
166 (v) career and technical education specialists; and
167 (vi) Talent Ready Utah; and
- 168 (c) workforce development experts, including representatives from the Department of
169 Workforce Services.
- 170 (3) The state board shall staff the First Credential Oversight Committee.
- 171 (4) The First Credential Oversight Committee shall develop a first credential master plan,
172 which shall include:
- 173 (a) a framework for developing and maintaining the master credential list;
174 (b) a comprehensive needs assessment framework that evaluates:
- 175 (i) resources available through institutions of higher education, including:
176 (A) faculty expertise and availability;
177 (B) facilities and equipment;
178 (C) existing certification programs; and
179 (D) potential for program expansion;
- 180 (ii) industry partnership opportunities, including:
181 (A) geographical proximity to potential partners;
182 (B) willingness of local industries to participate;
183 (C) capacity for work-based learning placements; and
184 (D) alignment between industry needs and educational capabilities; and
- 185 (iii) general resource availability, including:
186 (A) current funding streams and potential funding sources;
187 (B) existing technology infrastructure;
188 (C) qualified personnel and staffing needs; and
189 (D) professional development requirements;
- 190 (c) credential approval processes;
191 (d) methods for ensuring industry demand alignment;
192 (e) wage considerations for occupations associated with approved credentials;
193 (f) clear definitions of industry-recognized credentials;
194 (g) strategies for promoting stackability and sequencing of credentials;
195 (h) approaches to ensure regional relevance of credentials;
196 (i) mechanisms for collaboration between educational institutions, industry partners, and
197 workforce development agencies;
198 (j) strategies for continuous evaluation and improvement of the program;

- 199 (k) the creation of a credentials review committee, including membership and duties;
200 (l) in accordance with Subsection (17), an established framework of planning,
201 implementation, and student outcome performance funding for an LEA administering
202 first credential programming;
- 203 (m) a weighted system for the master credential list that:
- 204 (i) assigns higher values to credentials based on:
- 205 (A) alignment with high-demand, high-wage occupations;
206 (B) incorporation of multiple learning pathways, including coursework,
207 apprenticeships, internships, work-based learning, and related service
208 opportunities;
- 209 (C) industry recognition and portability; and
210 (D) stackability with other credentials or degrees; and
- 211 (ii) uses the weighted values to:
- 212 (A) determine incentive funding levels;
213 (B) prioritize program expansion support; and
214 (C) guide student career planning; and
- 215 (n) guidelines for LEAs to procure industry-recognized certification program licenses,
216 including:
- 217 (i) verification that certifications appear on the master credential list;
218 (ii) requirement for competency-based assessments in proctored environments;
219 (iii) documentation of local industry endorsement; and
220 (iv) alignment with state and federal computer science initiatives where applicable,
221 including the Computer Science for Utah Grant Program described in Section
222 53H-13-306.
- 223 (5) In accordance with the Utah First Credential Master Plan, the state board shall:
- 224 (a) ensure that the credentials review committee membership reflects a balance of
225 perspectives and expertise;
- 226 (b) develop an online application and submission system for credentialing organizations
227 and providers to submit programs for inclusion in the master credential list;
- 228 (c) establish and maintain the master credential list based on the recommendations of the
229 credentials review committee;
- 230 (d) develop clear mechanisms for students to understand how earning one credential can
231 lead to higher-level certifications or degrees; and
232 (e) foster partnerships between high schools, technical colleges, employers, and

- 233 apprenticeship programs to ensure students have access to meaningful work-based
234 learning opportunities.
- 235 (6) The state board shall:
- 236 (a) automatically include on the initial master credential list any existing credential that:
- 237 (i) meets the definition of industry-recognized credential under this section; and
- 238 (ii) is currently recognized by the state board or Utah Board of Higher Education as
239 of July 1, 2024; and
- 240 (b) review all automatically included credentials within one year to ensure ongoing
241 compliance with program requirements.
- 242 (7) The state board shall award a first credential certificate to an eligible student who
243 completes one of the following:
- 244 (a) concurrent enrollment courses, composed of:
- 245 (i) between 12 and 18 core general education credits, or as industry standards dictate,
246 with courses from different general education categories; or
- 247 (ii) a prescribed set of courses as the Utah Board of Higher Education designates;
- 248 (b) an industry-recognized credential included on the master credential list;
- 249 (c) 300 hours of completion through a youth apprenticeship program that:
- 250 (i) is described in Sections 35A-6-102 and 35A-6-104.5; and
- 251 (ii) includes courses that fulfill the requirements for an industry-recognized credential
252 included on the master credential list;
- 253 (d) completion of a technical college certificate; or
- 254 (e) completion of a Career and Technical Education Pathway program.
- 255 (8) The Utah Board of Higher Education shall ensure that credits earned for a first
256 credential certificate are:
- 257 (a) accepted and transferable to institutions of higher education, including technical
258 colleges;
- 259 (b) applicable towards relevant degree programs; and
- 260 (c) recognized by relevant industries as adequate preparation for employment.
- 261 (9) Subject to legislative appropriations, the Utah Board of Higher Education shall award a
262 first credential scholarship to each student who earns a first credential certificate.
- 263 (10) The first credential scholarship may be used at the following institutions:
- 264 (a) an institution of higher education as defined in Section 53H-1-101; or
- 265 (b) a private, nonprofit college or university in the state that is accredited by the
266 Northwest Commission on Colleges and Universities.

- 267 (11) The commissioner of higher education, in consultation with the Utah Board of Higher
268 Education, shall annually determine the first credential scholarship amount based on:
- 269 (a) the number of eligible students; and
 - 270 (b) appropriations made by the Legislature.
- 271 (12) A student may use the first credential scholarship for:
- 272 (a) tuition and fees;
 - 273 (b) books and supplies; or
 - 274 (c) other educational expenses as the Utah Board of Higher Education determines.
- 275 (13) The Utah Board of Higher Education shall ensure the scholarship is valid for use
276 within three years from the date the student graduates from high school.
- 277 (14) A student may earn the first credential scholarship in addition to any other
278 state-sponsored scholarships for which the student may be eligible.
- 279 (15) The first credential oversight committee shall present the master plan described in
280 Subsection (4) to the Education Interim Committee by the November 2025 interim
281 committee meeting.
- 282 (16) Every three years, the First Credential Oversight Committee shall:
- 283 (a) review the Utah First Credential Master Plan;
 - 284 (b) as needed, create a list of recommendations and update the Utah First Credential
285 Master Plan;
 - 286 (c) report the list of recommendations and the updated Utah First Credential Master Plan
287 to:
 - 288 (i) the state board;
 - 289 (ii) the Utah Board of Higher Education;
 - 290 (iii) the Department of Workforce Services;
 - 291 (iv) the Education Interim Committee; and
 - 292 (v) the Economic Development and Workforce Services Interim Committee.
- 293 (17)(a) The state board shall administer a first credential grant program for an LEA and
294 award a grant in accordance with the following process.
- 295 (b) The First Credential Oversight Committee shall establish:
 - 296 (i) a needs assessment tool that evaluates:
 - 297 (A) an LEA's current first credential offering;
 - 298 (B) an LEA's capacity to develop or expand a first credential pathway;
 - 299 (C) resources and support needed for a first credential program, including
300 resources available through institutions of higher education, industry

- 301 partnership opportunities, and general resource availability; and
- 302 (D) each potential barrier to implementation; and
- 303 (ii) a continuum of need to place each applying LEA.
- 304 (c) An LEA seeking a first credential grant shall submit to the First Credential Oversight
- 305 Committee:
- 306 (i) a completed needs assessment; and
- 307 (ii) a grant application that contains:
- 308 (A) current first credential data, including current credentials offered;
- 309 (B) preliminary goals for creating or expanding first credential opportunities
- 310 within the LEA; and
- 311 (C) if applicable, plans for procurement of industry certification program licenses,
- 312 including certification details and alignment with master credential list,
- 313 documentation of employer endorsements, assessment and proctoring
- 314 procedures, and integration with existing computer science programs.
- 315 (d) The First Credential Oversight Committee shall:
- 316 (i) review each submitted application and needs assessment;
- 317 (ii) assign the LEA a placement on the continuum of need; and
- 318 (iii) provide to the LEA a specific requirement for an implementation plan based on:
- 319 (A) the LEA's continuum placement;
- 320 (B) each identified area for growth;
- 321 (C) each available resource; and
- 322 (D) each additional factor the First Credential Oversight Committee determines
- 323 relevant.
- 324 (e) An LEA shall submit to the First Credential Oversight Committee an implementation
- 325 plan that includes:
- 326 (i) specific goals for expanding a first credential opportunity;
- 327 (ii) each implementation step and timeline;
- 328 (iii) a detailed cost projection; and
- 329 (iv) each additional element the committee requires based on the needs assessment
- 330 results.
- 331 (f) The First Credential Oversight Committee shall:
- 332 (i) review the implementation plan;
- 333 (ii) direct technical assistance to the LEA in accordance with the LEA's
- 334 implementation plan;

- 335 (iii) provide feedback to the LEA to improve the implementation plan;
- 336 (iv) approve each implementation plan that meets the established criteria; and
- 337 (v) award an implementation grant for each approved plan.
- 338 (g) Subject to legislative appropriations, the state board shall:
- 339 (i) award an incentive grant to an LEA that:
- 340 (A) has implemented an approved plan;
- 341 (B) increases the number of students who earn a first credential certificate; and
- 342 (C) achieves each established implementation goal; and
- 343 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 344 and in collaboration with the First Credential Oversight Committee, establish by
- 345 rule:
- 346 (A) tiers for incentive grant awards;
- 347 (B) performance metrics for continued funding;
- 348 (C) reporting requirements for a grant recipient;
- 349 (D) requirements for reporting certification program outcomes and industry
- 350 alignment;
- 351 (E) procedures for coordinating with computer science initiative grants; and
- 352 (F) guidelines for certification program procurement and implementation.
- 353 (18) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in
- 354 collaboration with the Utah Board of Higher Education and the Department of
- 355 Workforce Services, the state board shall make rules to implement the provisions of this
- 356 section.

357 Section 3. Section **53H-1-402** is amended to read:

358 **53H-1-402 (Effective 07/01/26) (Partially Repealed 07/01/27). Reports to and**

359 **actions of the Higher Education Appropriations Subcommittee.**

- 360 (1) In accordance with applicable provisions and Section 68-3-14, the following recurring
- 361 reports are due to the Higher Education Appropriations Subcommittee:
- 362 (a) the reports described in Sections 53H-1-502, 53H-1-503, and 53H-1-504;
- 363 (b) the reports described in Section 53H-1-203 by the board on:
- 364 (i) system wide responses to changing demographics and workforce; and
- 365 (ii) the board's activities and performance against the board's goals and metrics;
- 366 (c) the report described in Section 53H-5-205;
- 367 (d) the report described in Section 53H-8-202 by the board on recommended
- 368 appropriations for higher education institutions and the board, including the report

- 369 described in Section 53H-11-406 by the board on the effects of offering nonresident
 370 partial tuition scholarships;
- 371 (e) the report described in Section 53H-8-211 by the board on the Higher Education
 372 Research Funding Pilot Program;
- 373 [~~(e)~~] (f) the report described in Section 53H-8-306 by the Department of Workforce
 374 Services and the Governor's Office of Economic Opportunity on targeted jobs;
- 375 [~~(f)~~] (g) the reports described in Section 53H-8-303 by the board on performance;
- 376 [~~(g)~~] (h) the report described in Section 53H-11-402 by the board on the Opportunity
 377 Scholarship Program;
- 378 [~~(h)~~] (i) the report described in Section 53H-13-309 regarding the talent advisory
 379 councils;
- 380 [~~(i)~~] (j) the report described in Section 53H-11-414 by the board on the Utah Promise
 381 Program;
- 382 [~~(j)~~] (k) the report described in Section 53H-6-202 by the board on an institution
 383 compensating a student athlete for the use of the student athlete's name, image, or
 384 likeness;
- 385 [~~(k)~~] (l) the report described in Section 53H-1-604 regarding the Higher Education and
 386 Corrections Council; and
- 387 [~~(l)~~] (m) the report described in Section 53E-10-308 by the State Board of Education and
 388 board on student participation in the concurrent enrollment program.
- 389 (2) In accordance with applicable provisions and Section 68-3-14, the following occasional
 390 report is due to the Higher Education Appropriations Subcommittee: the board's report
 391 regarding each institution's strategic reinvestment plan described in Section 53H-8-210.
- 392 (3) In accordance with applicable provisions, the Higher Education Appropriations
 393 Subcommittee shall complete the following:
- 394 (a) an appropriation recommendation described in Section 53H-1-504 regarding
 395 compliance with Subsections 53H-1-504(5) and (14); and
- 396 (b) as required by Section 53H-8-304, the review of performance funding described in
 397 Section 53H-8-304.
- 398 (4) In consultation with the board, the Higher Education Appropriations Subcommittee
 399 shall study a re-design of:
- 400 (a) the performance funding model described in Chapter 8, Part 3, Performance Funding,
 401 to better ensure:
- 402 (i) institutional alignment with the statewide system of higher education and the

- 403 institution's mission within the statewide system; and
- 404 (ii) investment in meeting localized and statewide workforce demands and securing
- 405 post-graduation employment outcomes; and
- 406 (b) enrollment-based funding, including, for technical colleges, funding distribution
- 407 models that:
- 408 (i) include equivalent funding value for secondary and adult students; and
- 409 (ii) reflect the full responsibility of the technical college's statutorily-required
- 410 services.

411 Section 4. Section **53H-8-211** is enacted to read:

412 **53H-8-211 (Effective 07/01/26). Higher Education Research Funding Pilot**

413 **Program.**

414 (1) As used in this section:

- 415 (a) "Institute board" means the same as that term is defined in Section 53H-16-201.
- 416 (b) "Nucleus Institute" means the Nucleus Institute created in Section 53H-16-202.
- 417 (c) "Program" means the pilot grant program for research funding described in this
- 418 section.

419 (2)(a) There is established a pilot competitive grant program known as the Higher

420 Education Research Funding Pilot Program.

421 (b) The board shall distribute funding for grant applications the board approves under

422 the prioritization and recommendation process described in Subsections (3) and (4)

423 using the following funding allocation:

- 424 (i) for research institutions described in Subsection 53H-3-602(1)(b)(i), 75-85% of
- 425 available research funding; and
- 426 (ii) for applied research projects at regional institutions described in Subsection
- 427 53H-3-602(1)(b)(ii), 15-25% of available research funding.

428 (3) To apply for research funding under the program, the president of an institution shall:

- 429 (a) review and prioritize prospective grant applications; and
- 430 (b) submit prioritized grant applications to the board.

431 (4)(a) The board shall:

- 432 (i) develop a funding application and establish a scoring rubric to prioritize
- 433 applications based on the following criteria:
- 434 (A) expected impact;
- 435 (B) connection to Utah industries;
- 436 (C) relevance to state economic development or public policy needs;

- 437 (D) potential for commercialization;
 438 (E) the available proportion of matching funds; and
 439 (F) opportunities for student participation;
 440 (ii)(A) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
 441 Rulemaking Act, to establish eligible research areas, in consultation with
 442 industry representatives, the institute board, the Department of Workforce
 443 Services, the Governor's Office of Economic Opportunity, and the Economic
 444 Development and Workforce Services Interim Committee;
 445 (B) review and update the eligible research areas described in Subsection
 446 (4)(a)(ii)(A) at least once every three years; and
 447 (C) ensure that the eligible research areas described in Subsection (4)(a)(ii)(A)
 448 reflect the state's priority industry clusters and public policy needs;
 449 (iii) review all grant applications the board receives for each funding allocation
 450 described in Subsection (2)(b); and
 451 (iv) based on the scoring described in Subsection (4)(a)(i), approve research grants.
 452 (b) The board may delegate the board's duties of administration and review described in
 453 Subsections (4)(a)(i), (4)(a)(ii), and (4)(a)(iii) to:
 454 (i) the institute board;
 455 (ii) the Talent, Education, and Industry Alignment Board; or
 456 (iii) an ad hoc committee that the board establishes for the administration of the
 457 program.
 458 (c) The board may use up to 1% of legislative appropriations for the program to
 459 administer the program.
 460 (5) The board shall report annually to the Higher Education Appropriations Subcommittee
 461 and the Economic Development and Workforce Services Interim Committee on:
 462 (a) the eligible research areas described in Subsection (4)(a)(ii) and the extent to which
 463 the areas reflect the state's priority industry clusters and public policy needs; and
 464 (b) key metrics for the program, including:
 465 (i) the number and type of approved research projects under the program, categorized
 466 by institution; and
 467 (ii) highlights of the impact of the approved research projects.
 468 Section 5. Section **53H-11-402** is amended to read:
 469 **53H-11-402 (Effective 07/01/26). Opportunity Scholarship Program.**
 470 (1) As used in this section:

- 471 (a) "Eligible institution" means:
- 472 (i) an institution; or
- 473 (ii) a private, nonprofit institution of higher education in the state.
- 474 (b) "Eligible student" means a student who:
- 475 (i) applies to the board in accordance with the rules described in Subsection (5);
- 476 (ii) is enrolled in an eligible institution; and
- 477 (iii) meets the criteria established by the board in rules described in Subsection (5).
- 478 (c) "Fee" means:
- 479 (i) for an eligible institution that is a degree-granting institution, a fee approved by
- 480 the board; or
- 481 (ii) for an eligible institution that is a technical college or a degree-granting
- 482 institution acting in the degree-granting institution's technical education role
- 483 described in Section 53H-3-608, a fee approved by the eligible institution.
- 484 (d) "Program" means the Opportunity Scholarship Program described in this section.
- 485 (2)(a) Subject to legislative appropriations, the board shall annually distribute money for
- 486 the Opportunity Scholarship Program described in this section to each eligible
- 487 institution to award as Opportunity scholarships to eligible students.
- 488 (b) The commissioner, in consultation with the board, shall annually determine the
- 489 amount of an Opportunity scholarship based on:
- 490 (i) the number of eligible students in the state; and
- 491 (ii) money available for the program.
- 492 (c) The board may not use more than 3% of the money appropriated to the program for
- 493 administrative costs and overhead.
- 494 (3)(a) Except as provided in this Subsection (3), an eligible institution shall provide to
- 495 an eligible student an Opportunity scholarship in the amount determined by the board
- 496 described in Subsection (2)(b).
- 497 (b) For an Opportunity scholarship for which an eligible student applies on or before
- 498 July 1, 2019, an eligible institution may reduce the amount of the Opportunity
- 499 scholarship based on other state aid awarded to the eligible student for tuition and
- 500 fees.
- 501 (c) For an Opportunity scholarship for which an eligible student applies after July 1,
- 502 2019:
- 503 (i) an eligible institution shall reduce the amount of the Opportunity scholarship so
- 504 that the total amount of state aid awarded to the eligible student, including tuition

- 505 or fee waivers and the Opportunity scholarship, does not exceed the cost of the
506 eligible student's tuition and fees; and
- 507 (ii) the eligible student may only use the Opportunity scholarship for tuition and fees.
- 508 (d) An institution described in Subsection (1)(a)(ii) may not award an Opportunity
509 scholarship to an eligible student in an amount that exceeds the average total cost of
510 tuition and fees among the eligible institutions described in Subsection (1)(a)(i).
- 511 (e) If the allocation for an eligible institution described in Subsection (1)(a)(ii) is
512 insufficient to provide the amount described in Subsection (2)(b) to each eligible
513 student, the eligible institution may reduce the amount of an Opportunity scholarship.
- 514 (4) The board may:
- 515 (a) audit an eligible institution's administration of Opportunity scholarships;
- 516 (b) require an eligible institution to repay to the board money distributed to the eligible
517 institution under this section that is not provided to an eligible student as an
518 Opportunity scholarship; and
- 519 (c) require an eligible institution to enter into a written agreement with the board in
520 which the eligible institution agrees to provide the board with access to information
521 and data necessary for the purposes of the program.
- 522 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
523 board shall make rules that establish:
- 524 (a) requirements related to an eligible institution's administration of Opportunity
525 scholarships;
- 526 (b) a process for a student to apply to the board to determine the student's eligibility for
527 an Opportunity scholarship;
- 528 (c) criteria to determine a student's eligibility for an Opportunity scholarship, including:
529 (i) minimum secondary education academic performance standards; and
530 (ii) the completion of a Free Application for Federal Student Aid or a process
531 approved by the board in lieu of the Free Application for Federal Student Aid;
- 532 (d) a requirement for each eligible institution to annually report to the board on all
533 Opportunity scholarships awarded by the eligible institution; and
- 534 (e) a process for a student to apply to the board for an Opportunity scholarship who
535 would have likely received the scholarship but for an irreconcilable error in the
536 application process described in Subsection (5)(b).
- 537 (6) The board shall annually report on the program to the Higher Education Appropriations
538 Subcommittee.

539 (7) The State Board of Education, a school district, or a public high school shall cooperate
 540 with the board and eligible institutions to facilitate the program, including by
 541 exchanging relevant data where allowed by law.

542 Section 6. Section **53H-11-403** is amended to read:

543 **53H-11-403 (Effective 07/01/26). Karen Mayne Public Safety Officer Scholarship**
 544 **Program.**

545 (1) As used in this section:

- 546 (a) "Peace officer" means the same as that term is defined in Section 53H-11-306.
 547 (b) "POST" means the Peace Officer Standards and Training Division created in Section
 548 53-6-103.
 549 (c) "Program" means the Karen Mayne Public Safety Officer Scholarship Program that
 550 this section creates.

551 (2) This section creates the Karen Mayne Public Safety Officer Scholarship Program.

552 (3)(a) Subject to legislative appropriations, the board shall award a scholarship to a
 553 qualified applicant who:

- 554 (i) is a high school graduate;
 555 (ii) submits an application to the board with a copy of the student's high school
 556 diploma;
 557 (iii) when eligible, enrolls in a basic training course at a state certified academy as
 558 defined in Section 53-6-202;
 559 (iv) subject to Subsection (3)(b), is enrolled in a qualifying post-secondary program
 560 from:
 561 (A) an institution of higher education listed in Section 53H-1-102; or
 562 (B) a private postsecondary educational institution; and
 563 (v) commits to working as a peace officer for no less than five years after the day on
 564 which POST certifies the scholarship recipient.

565 (b) For purposes of Subsection (3)(a)(iv), the board shall determine the programs that
 566 qualify for a scholarship award, including criminal justice, police administration,
 567 criminology, social sciences, and other disciplines.

568 (4)(a) The commissioner, in consultation with the board, shall determine the amount of a
 569 scholarship award, ensuring that the amount does not exceed the combined cost of
 570 tuition, fees, and required textbooks.

571 (b) A scholarship award described in Subsection (4)(a) is limited to:

- 572 (i) POST training and certification in accordance with Title 53, Chapter 6, Peace

- 573 Officer Standards and Training Act; and
- 574 (ii) a maximum of four academic years in a post-secondary program.
- 575 (5) The board shall design the scholarship program to ensure that participating institutions
- 576 combine state or federal loans or grants, internships, student employment, and family
- 577 and individual contributions toward financing the cost of attendance.
- 578 (6) A scholarship recipient shall:
- 579 (a) notify the board of the scholarship recipient's POST certification within 15 days after
- 580 the day on which POST certifies the scholarship recipient;
- 581 (b) submit verification of the scholarship recipient's employment to the board within 15
- 582 days after the day on which the scholarship recipient is employed as a peace officer,
- 583 including:
- 584 (i) the employer's name, address, and telephone number;
- 585 (ii) the date of the scholarship recipient's hiring; and
- 586 (iii) the scholarship recipient's job title; and
- 587 (c) notify the board within 15 days after the day on which the employer terminates the
- 588 scholarship recipient.
- 589 (7)(a) The board may require a scholarship recipient to repay the full amount of the
- 590 scholarship award that the scholarship recipient received under the program,
- 591 including money paid for tuition, fees, and required textbooks, if the scholarship
- 592 recipient fails to:
- 593 (i) meet the requirements for POST certification as described in Title 53, Chapter 6,
- 594 Part 2, Peace Officer Training and Certification Act;
- 595 (ii) work as a peace officer for five years after the day on which POST certifies the
- 596 scholarship recipient; or
- 597 (iii) subject to Subsection (3), earn a degree in a post-secondary program.
- 598 (b) Notwithstanding Subsection (7)(a), a scholarship recipient is not required to repay
- 599 any amount of the scholarship award if the scholarship recipient:
- 600 (i) is unable to secure employment as a peace officer within 12 months after the day
- 601 on which the scholarship recipient is POST certified; and
- 602 (ii) provides documentation from a prospective employer that the scholarship
- 603 recipient was not extended an offer of employment.
- 604 (8) The board may use up to 2% of the money appropriated for the scholarship program for
- 605 administrative costs.
- 606 (9)(a) The board shall make rules, in accordance with Title 63G, Chapter 3, Utah

- 607 Administrative Rulemaking Act, to:
- 608 (i) set deadlines for receiving scholarship applications and supporting documentation;
- 609 (ii) establish an application process and appeal process for the program;
- 610 (iii) establish policies and procedures for cancellation or repayment of scholarship
- 611 awards if the scholarship recipient fails to meet the requirements under this
- 612 section;
- 613 (iv) collaborate with POST and other law enforcement and correction agencies to
- 614 provide high school students information on law enforcement careers; and
- 615 (v) notify POST when a student receives a scholarship under the program.
- 616 (b) The board shall include a disclosure on all applications and materials related to the
- 617 program that the amount of the awarded scholarship may be subject to funding
- 618 availability or reduction in accordance with Subsection (10).

619 (10) If an appropriation under this section is insufficient to cover the costs associated with

620 the program, the board may:

- 621 (a) reduce the amount of a scholarship award; and
- 622 (b) distribute scholarship awards on a pro rata basis to all eligible applicants who
- 623 submitted a complete application before the application deadline.

624 Section 7. Section **53H-16-201** is amended to read:

625 **53H-16-201 (Effective 07/01/26). General provisions -- Definitions.**

626 As used in this part:

- 627 (1) "Executive director" means the executive director of the institute appointed under
- 628 Section 53H-16-304.
- 629 (2) "Institute board" means the board of directors of the Nucleus Institute as described in
- 630 Section 53H-16-302.
- 631 (3) "Investment committee" means the investment committee of the [~~Utah innovation fund~~]
- 632 Nucleus Fund created in Section 53H-16-403.
- 633 (4) "Nucleus Fund" means a limited liability company organized under Section 53H-16-402.
- 634 [~~(4)~~] (5) "Nucleus Institute" or "institute" means the Nucleus Institute created in Section
- 635 53H-16-202.
- 636 [~~(5)~~] (6) "Qualified business" means a business entity that:
- 637 (a) is established to commercialize a technology, product, or service developed in
- 638 partnership with a technology commercialization program at a public institution or
- 639 private postsecondary educational institution in the state; and
- 640 (b) maintains the business's principal business operations in the state.

641 ~~[(6)]~~ (7) "Qualified investment" means any distribution or payment of funds to a qualified
 642 business from the ~~[Utah innovation fund]~~ Nucleus Fund, including:

- 643 (a) a direct investment of capital in a qualified business for the purchase of shares of
 644 stock;
 645 (b) a secured loan or revolving line of credit to a qualified business; or
 646 (c) a financial grant to a qualified business.

647 ~~[(7) "Utah innovation fund" means a limited liability company organized under Section
 648 53H-16-402.]~~

649 Section 8. Section **53H-16-202** is amended to read:

650 **53H-16-202 (Effective 07/01/26). Creation of Nucleus Institute -- Status and
 651 applicability of other law -- Powers and purposes.**

652 (1) There is created the Nucleus Institute.

653 (2) The institute is:

- 654 (a) an independent, nonprofit, quasi-public corporation as defined in Section 63E-1-102;
 655 and
 656 (b) subject to and governed by Sections 63E-2-106, 63E-2-108, 63E-2-110, and
 657 63E-2-111, but is not otherwise subject to or governed by Title 63E, Independent
 658 Entities Code.

659 (3) The institute and the ~~[Utah innovation fund]~~ Nucleus Fund are not subject to:

- 660 (a) Title 52, Chapter 4, Open and Public Meetings Act; or
 661 (b) Title 63G, Chapter 2, Government Records Access and Management Act.

662 (4) ~~[Pursuant to]~~ In accordance with Subsection 53H-1-203(2)(p)(i), in coordination with the
 663 board and the commissioner, the institute shall promote efficiency and support of the
 664 Utah System of Higher Education on commercialization efforts as provided in this
 665 chapter.

666 (5) The institute shall:

- 667 (a) organize and administer the ~~[Utah innovation fund]~~ Nucleus Fund; ~~[-and]~~
 668 (b)(i) coordinate and support innovation districts that have a connection with higher
 669 education~~[-]~~ ; and
 670 (ii) oversee and manage the development, programming, and operations of a facility
 671 on point of the mountain state land, as that term is defined in Section 11-59-102,
 672 that provides collaborative co-working space, classrooms, offices for institutions
 673 of higher education, public education opportunities, and retail space; and
 674 (c) support state- and corporate-sponsored research to help develop solutions for state

675 initiatives and commercialization opportunities.

676 (6) The institute may:

677 (a) engage consultants and legal counsel;

678 (b) invest and expend funds;

679 (c) apply for grants;

680 (d) enter into contracts;

681 (e) insure against loss;

682 (f) receive private donations;

683 (g) hire employees;

684 (h) sue and be sued in the institute's own name; and

685 (i) perform any other act necessary to carry out the purposes of the institute.

686 (7) The institute may not:

687 (a) issue debt or borrow funds;

688 (b) exercise governmental functions;

689 (c) have members; or

690 (d) pledge the credit or taxing power of the state or any political subdivision of the state.

691 Section 9. Section **53H-16-302** is amended to read:

692 **53H-16-302 (Effective 07/01/26). Board of directors -- Membership --**

693 **Limitations.**

694 (1) The institute shall be governed by a board of directors which shall manage and conduct
695 the business and affairs of the institute.

696 (2) The institute board shall consist of seven voting members as follows:

697 (a) the executive director, appointed as described in Section 53H-16-304;

698 (b) the director of the Talent Ready Utah Program, described in Section 53H-13-303; and

699 (c) five individuals with relevant experience, [~~jointly appointed by~~] whom the

700 commissioner[;] and the executive director[~~, and the director of the Talent Ready~~

701 ~~Utah Program described in Section 53H-13-303]~~ jointly appoint.

702 (3)(a) A member described in Subsection (2)(c):

703 (i) shall serve a term of two years; and

704 (ii) may serve more than one term.

705 (b) The commissioner, jointly with the executive director[~~and the director of the Talent~~

706 ~~Ready Utah Program described in Section 53H-13-303]~~, may remove a member from

707 the institute board.

708 (c) If a vacancy occurs for a member described in Subsection (2)(c), the commissioner,

709 jointly with the executive director and the director of the Talent Ready Utah Program
 710 described in Section 53H-13-303, shall appoint a replacement to serve the remainder
 711 of the member's term.

712 (4) The commissioner, jointly with the executive director, shall [~~serve as~~] appoint the chair
 713 of the institute board.

714 (5)(a) A majority of the members of the institute board constitutes a quorum of the
 715 institute board.

716 (b) The action by a majority of the members of a quorum constitutes the action of the
 717 institute board.

718 (6) A member of the institute board:

719 (a) is subject to any restrictions on conflicts of interest specified in the organizational
 720 documents of the institute;

721 (b) may not influence a vote by the investment committee related to a qualified
 722 investment by the [~~Utah innovation fund~~] Nucleus Fund, if the member has an interest
 723 in the qualified investment; and

724 (c) [~~except for the executive director,~~] may not receive compensation or benefits for the
 725 member's service.

726 Section 10. Section **53H-16-303** is amended to read:

727 **53H-16-303 (Effective 07/01/26). Institute board duties and powers.**

728 (1) The institute board shall:

729 (a) manage and conduct the business and affairs of the institute and determine all
 730 questions of institute and [~~Utah innovation fund~~] Nucleus Fund policy;

731 (b) provide strategic oversight for all institute initiatives;

732 (c) support and guide workforce development, innovation, and policy integration across
 733 institutions and industry;

734 (d) consistent with this chapter, oversee the [~~Utah innovation fund~~] Nucleus Fund and
 735 investment committee;

736 (e) coordinate efforts and collaborations across innovation districts;

737 (f) create opportunities for students through projects and partnerships;

738 [~~(g) set compensation and incentives for the executive director;~~]

739 [~~(h)~~] (g) advance the purposes of the [~~Utah innovation fund~~] Nucleus Fund as described in
 740 Section 53H-16-402; and

741 [~~(i)~~] (h) consider investment proposals and determine whether a proposal furthers the
 742 objectives of the fund.

- 743 (2) The institute board may establish independent committees for the purpose of assisting
744 the institute board in an advisory role.
- 745 (3) In coordination with the Governor's Office of Economic Opportunity, the institute board
746 shall convene and facilitate discussions with industry, education, and policy makers to
747 promote regulatory innovation.

748 Section 11. Section **53H-16-304** is amended to read:

749 **53H-16-304 (Effective 07/01/26). Executive director appointment -- Duties and**
750 **powers.**

- 751 (1) The commissioner shall appoint and determine compensation for an executive director
752 for the institute.

753 [~~(2) The executive director shall serve as the chair of the institute board as described in~~
754 ~~Section 53H-16-302.~~]

755 [~~(3)~~] (2) The executive director shall:

- 756 (a) manage the day-to-day operations of the institute and the [~~Utah innovation fund~~]
757 Nucleus Fund;
- 758 (b) execute the policies of the institute board;
- 759 (c) oversee the investment and expenditure of funds;
- 760 (d) oversee qualified investments made by the [~~Utah innovation fund~~] Nucleus Fund;
- 761 (e) assess reasonable fees for management of assets in the [~~Utah innovation fund~~]
762 Nucleus Fund for reasonable costs of the [~~Utah innovation fund~~] Nucleus Fund;
- 763 (f) consult with the institute board regarding policies and direction of the institute;
- 764 (g) prepare an operating budget for the institute and submit the operating budget to the
765 Utah Board of Higher Education for approval;
- 766 (h) adopt a budget submitted by the chair of the investment committee;
- 767 (i) establish job descriptions and, within budgetary constraints, employ staff necessary to
768 accomplish the purposes of the institute and [~~Utah innovation fund~~] the Nucleus Fund;
769 and
- 770 (j) execute other duties as assigned by the institute board.

771 [~~(4)~~] (3) The executive director may:

- 772 (a) hire and supervise necessary staff for the institute;
- 773 (b) manage contracts and collaborations with consultants; and
- 774 (c) enter into contracts on behalf of the institute.

775 Section 12. Section **53H-16-402** is amended to read:

776 **53H-16-402 (Effective 07/01/26). Organization of Nucleus Fund -- Powers and**

777 **purposes -- Use of investment proceeds.**

- 778 (1)(a) The institute shall organize, and be the sole member and manager of, the [~~Utah~~
779 ~~innovation fund~~] Nucleus Fund.
- 780 (b) The [~~Utah innovation fund~~] Nucleus Fund shall be organized as a limited liability
781 company.
- 782 (c) The [~~Utah innovation fund~~] Nucleus Fund may:
- 783 (i) engage consultants and legal counsel;
- 784 (ii) invest and expend funds;
- 785 (iii) use funds for operations of the [~~Utah innovation fund~~] Nucleus Fund;
- 786 (iv) enter into contracts;
- 787 (v) insure against loss;
- 788 (vi) hire employees; and
- 789 (vii) perform any other act necessary to carry out the purposes of the [~~Utah~~
790 ~~innovation fund~~] Nucleus Fund.
- 791 (2) The [~~Utah innovation fund~~] Nucleus Fund shall, subject to investment committee
792 approval, make qualified investments in a manner and for the following purposes:
- 793 (a) to advance innovative technologies developed in Utah;
- 794 (b) to strengthen Utah's economy and facilitate job creation;
- 795 (c) to help qualified businesses gain access to capital;
- 796 (d) to attract entrepreneurs and innovation to Utah;
- 797 (e) to facilitate the commercialization of technologies discovered, advanced, or
798 developed at institutions of higher education;
- 799 (f) to advance the competitiveness of Utah businesses in the global economy;
- 800 (g) to ensure that the [~~Utah innovation fund~~] Nucleus Fund remains financially
801 self-sustaining; and
- 802 (h) to encourage other investors to invest in qualified businesses alongside the [~~Utah~~
803 ~~innovation fund~~] Nucleus Fund.
- 804 (3) The [~~Utah innovation fund~~] Nucleus Fund shall hold and manage qualified investments
805 made by the [~~Utah innovation fund~~] Nucleus Fund and the proceeds of those qualified
806 investments.
- 807 (4) The [~~Utah innovation fund~~] Nucleus Fund may charge a fee on assets under management
808 in the [~~Utah innovation fund~~] Nucleus Fund to pay for reasonable and necessary costs of
809 the [~~Utah innovation fund~~] Nucleus Fund, including the costs of the annual audit required
810 under Section 53H-16-407, and compensation incentives based on performance.

811 Section 13. Section **53H-16-403** is amended to read:

812 **53H-16-403 (Effective 07/01/26). Nucleus Fund investment committee.**

- 813 (1) The [~~Utah innovation fund~~] Nucleus Fund shall be governed by an investment
814 committee.
- 815 (2) The investment committee shall consist of five members appointed by the institute
816 board.
- 817 (3)(a) A member of the investment committee:
818 (i) shall serve a term of two years; and
819 (ii) may serve more than one term.
- 820 (b) If a vacancy occurs for a member of the investment committee, the institute board
821 shall appoint a replacement to serve the remainder of the member's term.
- 822 (c) The commissioner [~~or the institute board~~] may remove a member of the investment
823 committee for cause.
- 824 (4) The [~~institute board~~] commissioner and executive director shall jointly appoint a chair of
825 the investment committee.
- 826 (5) The investment committee may appoint up to two additional nonvoting members to
827 provide industry and technical expertise.
- 828 (6)[~~(a)~~] A member of the investment committee:
829 [~~(i)~~] (a) shall have significant experience in venture capital or entrepreneurship;
830 [~~(ii)~~] (b) is subject to any restrictions on conflicts of interest specified in the
831 organizational documents of the institute;
832 [~~(iii)~~] (c) may not participate in a vote by the investment committee related to a qualified
833 investment by the [~~Utah innovation fund~~] Nucleus Fund if the member has an interest
834 in the qualified investment; and
835 [~~(iv)~~] (d) except as provided in Subsection (6)(b), may not receive compensation or
836 benefits for the member's service.
- 837 [~~(b) The chair of the investment committee may receive compensation or benefits for the~~
838 ~~chair's service.~~]
- 839 (7)(a) A majority of the members of the investment committee constitutes a quorum of
840 the investment committee.
- 841 (b) The action by a majority of the members of a quorum constitutes the action of the
842 investment committee.

843 Section 14. Section **53H-16-404** is amended to read:

844 **53H-16-404 (Effective 07/01/26). Nucleus Fund investment committee duties.**

- 845 (1) The investment committee shall:
- 846 (a) comply with guidelines and directives from the institute board;
- 847 (b) manage and conduct business affairs of the [~~Utah innovation fund~~] Nucleus Fund;
- 848 (c) establish policies for the management of the [~~Utah innovation fund~~] Nucleus Fund,
- 849 including:
- 850 (i) an investment management code of conduct and associated compliance policy;
- 851 (ii) a policy for the strategic allocation of [~~Utah innovation fund~~] Nucleus Fund
- 852 assets; and
- 853 (iii) a policy articulating the investment committee's investment philosophy for [~~Utah~~
- 854 ~~innovation fund~~] Nucleus Fund assets; and
- 855 (d) ensure that policies adopted by the investment committee are:
- 856 (i) consistent with this chapter, the Utah Constitution, and other applicable law;
- 857 (ii) consistent with sound fiduciary principles; and
- 858 (iii) designed to maintain the integrity of the [~~Utah innovation fund~~] Nucleus Fund
- 859 and prevent the misapplication of money in the [~~Utah innovation fund~~] Nucleus
- 860 Fund.

- 861 (2) The investment committee shall engage a third-party to audit the [~~Utah innovation fund~~]
- 862 Nucleus Fund at least annually.

863 Section 15. Section **53H-16-405** is amended to read:

864 **53H-16-405 (Effective 07/01/26). Nucleus Fund investment committee chair --**

865 **Duties.**

- 866 (1) The institute board shall appoint [~~and determine compensation for~~] a chair of the
- 867 investment committee.
- 868 (2) The committee chair shall:
- 869 (a) manage and execute the policies established by the institute board and the investment
- 870 committee;
- 871 (b) in consultation with the investment committee, manage qualified investments made
- 872 by the [~~Utah innovation fund~~] Nucleus Fund;
- 873 (c) annually submit to the institute:
- 874 (i) a budget for the [~~Utah innovation fund~~] Nucleus Fund; and
- 875 (ii) a financial plan for operations of the [~~Utah innovation fund~~] Nucleus Fund;
- 876 (d) in accordance with generally accepted principles of fund accounting, establish a
- 877 system to identify and account for [~~Utah innovation fund~~] Nucleus Fund assets;
- 878 (e) maintain appropriate records of [~~Utah innovation fund~~] Nucleus Fund activities to

879 enable auditors to conduct periodic audits as described in Section 53H-16-407; and
880 (f) fulfill other duties as provided by the investment committee.

881 Section 16. Section **53H-16-406** is amended to read:

882 **53H-16-406 (Effective 07/01/26). Annual report.**

883 (1) On or before October 1 of each year, the institute shall publish an annual report of the
884 activities conducted by the [~~Utah innovation fund~~] Nucleus Fund and submit, in
885 accordance with Section 68-3-14, the written report to:

886 (a) the governor;

887 (b) the Economic Development and Workforce Services Interim Committee; and

888 (c) the Executive Appropriations Committee.

889 (2) The annual report shall:

890 (a) be designed to provide clear, accurate, and accessible information to the public, the
891 governor, and the Legislature;

892 (b) include a copy of the annual audit required under Section 53H-16-407;

893 (c) describe the policies adopted by the institute board under Subsection
894 53H-16-404(1)(c);

895 (d) include detailed information regarding:

896 (i) the name and location of each qualified business that received capital from the [
897 ~~Utah innovation fund~~] Nucleus Fund;

898 (ii) the amount of each qualified investment made by the [~~Utah innovation fund~~]
899 Nucleus Fund;

900 (iii) the aggregate amount of capital provided to qualified businesses; and

901 (iv) realized gains from qualified investments and any realized losses;

902 (e) include detailed information regarding the institute's yearly expenditures, including:

903 (i) administrative, operating, and financing expenses; and

904 (ii) aggregate compensation information for full-time and part-time employees,
905 including benefit and travel expenses;

906 (f) include detailed information regarding all funding sources for administrative,
907 operating, and financing expenses, including any fees charged by the institute to the [
908 ~~Utah innovation fund~~] Nucleus Fund under Subsection [~~53H-16-304(3)(e)~~]
909 53H-16-304(2)(e); and

910 (g) include an explanation of the [~~Utah innovation fund~~] Nucleus Fund's progress in
911 achieving the purposes described in Subsection 53H-16-402(2).

912 Section 17. Section **53H-16-407** is amended to read:

913 **53H-16-407 (Effective 07/01/26). Annual audit.**

914 (1) Each calendar year, an audit of the activities of the [~~Utah innovation fund~~] Nucleus Fund
915 shall be conducted by:

916 (a) the state auditor; or

917 (b) the state auditor's designee.

918 (2) A designee described in Subsection (1)(b) may not have a business, contractual, or other
919 connection to the institute or the [~~Utah innovation fund~~] Nucleus Fund.

920 (3) The annual audit shall:

921 (a) include a valuation of the assets owned by the [~~Utah innovation fund~~] Nucleus Fund
922 as of the end of the reporting year, using market-standard techniques for assets
923 typically held by early stage private investment and venture capital funds;

924 (b) include an opinion regarding the accuracy of the information provided in the annual
925 report described in Section 53H-16-406; and

926 (c) on or before September 1, be delivered to:

927 (i) the institute; and

928 (ii) the state treasurer.

929 (4) The institute shall pay the costs associated with the annual audit.

930 Section 18. Section **63I-1-253** is amended to read:

931 **63I-1-253 (Effective 07/01/26). Repeal dates: Titles 53 through 53G.**

932 (1) Section 53-1-122, Road Rage Awareness and Prevention Restricted Account, is
933 repealed July 1, 2028.

934 (2) Section 53-2a-105, Emergency Management Administration Council created --
935 Function -- Composition -- Expenses, is repealed July 1, 2029.

936 (3) Section 53-2a-1103, Search and Rescue Advisory Board -- Members -- Compensation,
937 is repealed July 1, 2030.

938 (4) Section 53-2a-1104, General duties of the Search and Rescue Advisory Board, is
939 repealed July 1, 2027.

940 (5) Title 53, Chapter 2a, Part 15, Grid Resilience Committee, is repealed July 1, 2027.

941 (6) Section 53-2d-104, State Emergency Medical Services Committee -- Membership --
942 Expenses, is repealed July 1, 2029.

943 (7) Section 53-2d-503, Establishment of maximum rates, is repealed July 1, 2027.

944 (8) Section 53-5a-302, Concealed Firearm Review Board -- Membership -- Compensation
945 -- Terms -- Duties, is repealed July 1, 2029.

946 (9) Section 53-11-104, Board, is repealed July 1, 2029.

- 947 (10) Title 53, Chapter 31, Department Interaction With Local Law Enforcement, is repealed
948 July 1, 2027.
- 949 (11) Subsection 53C-3-203(4)(b)(vii), regarding the distribution of money from the Land
950 Exchange Distribution Account to the Geological Survey for test wells and other
951 hydrologic studies in the West Desert, is repealed July 1, 2030.
- 952 (12) Subsection 53E-1-201(1)(q), regarding the Higher Education and Corrections Council,
953 is repealed July 1, 2027.
- 954 (13) Subsection 53E-2-304(6), regarding foreclosing a private right of action or waiver of
955 governmental immunity, is repealed July 1, 2027.
- 956 (14) Subsection 53E-3-503(5), regarding coordinating councils for youth in care, is
957 repealed July 1, 2027.
- 958 (15) Subsection 53E-3-503(6), regarding coordinating councils for youth in care, is
959 repealed July 1, 2027.
- 960 (16) Subsection 53E-4-202(8)(b), regarding a standards review committee, is repealed
961 January 1, 2028.
- 962 (17) Section 53E-4-203, Standards review committee, is repealed January 1, 2028.
- 963 (18) Title 53E, Chapter 6, Part 5, Utah Professional Practices Advisory Commission, is
964 repealed July 1, 2033.
- 965 (19) Subsection 53E-7-207(7), regarding a private right of action or waiver of governmental
966 immunity, is repealed July 1, 2027.
- 967 (20) Section 53F-5-215, Elementary teacher preparation assessment grant, is repealed July
968 1, 2028.
- 969 (21) Section 53F-5-219, Local Innovations Civics Education Pilot Program, is repealed July
970 1, 2026.
- 971 (22) Title 53F, Chapter 10, Part 2, Capital Projects Evaluation Panel, is repealed July 1,
972 2027.
- 973 (23) Subsection 53G-4-608(2)(b), regarding the Utah Seismic Safety Commission, is
974 repealed January 1, 2025.
- 975 (24) Subsection 53G-4-608(4)(b), regarding the Utah Seismic Safety Commission, is
976 repealed January 1, 2025.
- 977 (25) Section 53G-9-212, Drinking water quality in schools, is repealed July 1, 2027.
- 978 (26) Subsection 53G-9-703(4), regarding the parental video presentation concerning student
979 use of technology, is repealed January 1, 2030.
- 980 (27) Subsection 53H-1-402(1)(j), regarding the Higher Education and Corrections Council,

- 981 is repealed July 1, 2027.
- 982 (28) Section 53H-1-604, Higher Education and Corrections Council, is repealed July 1,
983 2027.
- 984 (29) Subsection 53H-4-210(3), regarding the creation of the SafeUT and School Safety
985 Commission, is repealed January 1, 2030.
- 986 (30) Subsection 53H-4-210(4), regarding the appointment of the members of the SafeUT
987 and School Safety Commission, is repealed January 1, 2030.
- 988 (31) Subsection 53H-4-210(5), regarding the attorney general designating the chair of the
989 SafeUT and School Safety Commission, is repealed January 1, 2030.
- 990 (32) Subsection 53H-4-210(6), regarding the quorum requirements of the SafeUT and
991 School Safety Commission, is repealed January 1, 2030.
- 992 (33) Subsection 53H-4-210(7), regarding a formal action of the SafeUT and School Safety
993 Commission, is repealed January 1, 2030.
- 994 (34) Subsection 53H-4-210(8), regarding compensation for members of the SafeUT and
995 School Safety Commission, is repealed January 1, 2030.
- 996 (35) Subsection 53H-4-210(9), regarding the support staff for the SafeUT and School
997 Safety Commission, is repealed January 1, 2030.
- 998 (36) Section 53H-4-306.1, Definitions -- Electrification of Transportation Infrastructure
999 Research Center, is repealed July 1, 2028.
- 1000 (37) Section 53H-4-306.2, Electrification of Transportation Infrastructure Research Center
1001 -- Designation -- Duties, is repealed July 1, 2028.
- 1002 (38) Section 53H-4-306.3, Electrification of Transportation Infrastructure Research Center
1003 -- Steering committee, is repealed July 1, 2028.
- 1004 (39) Section 53H-4-306.4, Electrification of Transportation Infrastructure Research Center
1005 -- Industry advisory board, is repealed July 1, 2028.
- 1006 (40) Section 53H-4-306.5, Electrification of Transportation Infrastructure Research Center
1007 -- Duties of the project director, is repealed July 1, 2028.
- 1008 (41) Section 53H-4-306.6, Electrification of Transportation Infrastructure Research Center
1009 -- Project development and strategic objectives -- Reporting requirements, is repealed
1010 July 1, 2028.
- 1011 (42) Section 53H-4-307.1, Center for Civic Excellence, is repealed July 1, 2030.
- 1012 (43) Section 53H-4-307.2, Center for Civic Excellence -- Duties -- Authority, is repealed
1013 July 1, 2030.
- 1014 (44) Section 53H-4-307.3, Center for Civic Excellence -- Leadership, is repealed July 1,

- 1015 2030.
- 1016 (45) Section 53H-4-307.4, Center for Civic Excellence -- Faculty, is repealed July 1, 2030.
- 1017 (46) Section 53H-4-307.5, Center for Civic Excellence -- Curriculum, is repealed July 1,
- 1018 2030.
- 1019 (47) Section 53H-4-307.6, Center for Civic Excellence -- Oversight -- Reporting, is
- 1020 repealed July 1, 2030.
- 1021 (48) Section 53H-4-313, Food Security Council, is repealed July 1, 2027.
- 1022 (49) Section 53H-8-211, Higher Education Research Funding Pilot Program, is repealed
- 1023 July 1, 2030.
- 1024 [~~(49)~~] (50) Section 53H-8-305, Five-year performance goals, is repealed July 1, 2027.
- 1025 [~~(50)~~] (51) Title 53H, Chapter 10, Part 4, Education Savings Incentive Program, is repealed
- 1026 July 1, 2028.
- 1027 Section 19. Section **63J-1-602.2** is amended to read:
- 1028 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29). List of nonlapsing**
- 1029 **appropriations to programs.**
- 1030 Appropriations made to the following programs are nonlapsing:
- 1031 (1) The Legislature and the Legislature's committees.
- 1032 (2) The State Board of Education, including all appropriations to agencies, line items, and
- 1033 programs under the jurisdiction of the State Board of Education, in accordance with
- 1034 Section 53F-9-103.
- 1035 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 1036 (4) The Percent-for-Art Program created in Section 9-6-404.
- 1037 (5) The LeRay McAllister Working Farm and Ranch Fund Program created in Title 4,
- 1038 Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 1039 (6) The Utah Lake Authority created in Section 11-65-201.
- 1040 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
- 1041 Subsection 17-66-303(2)(d)(ii).
- 1042 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 1043 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection
- 1044 26B-3-108(7).
- 1045 (10) The primary care grant program created in Section 26B-4-310.
- 1046 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 1047 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
- 1048 26B-4-702.

- 1049 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 1050 (14) The Utah Medical Education Council for the:
- 1051 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 1052 (b) provision of medical residency grants described in Section 26B-4-711; and
- 1053 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 1054 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 1055 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program
- 1056 created in Section 26B-7-122.
- 1057 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with
- 1058 Subsection 32B-2-301(8)(a) or (b).
- 1059 (18) The General Assistance program administered by the Department of Workforce
- 1060 Services, as provided in Section 35A-3-401.
- 1061 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 1062 (20) The Search and Rescue Financial Assistance Program, as provided in Section
- 1063 53-2a-1102.
- 1064 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 1065 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 1066 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in
- 1067 Section 53H-5-402.
- 1068 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection
- 1069 53G-10-608(3).
- 1070 (25) The Higher Education Research Funding Pilot Program created in Section 53H-8-211.
- 1071 [~~(25)~~] (26) The Division of Fleet Operations for the purpose of upgrading underground
- 1072 storage tanks under Section 63A-9-401.
- 1073 [~~(26)~~] (27) The Division of Technology Services for technology innovation as provided
- 1074 under Section 63A-16-903.
- 1075 [~~(27)~~] (28) The State Capitol Preservation Board created by Section 63O-2-201.
- 1076 [~~(28)~~] (29) The Office of Administrative Rules for publishing, as provided in Section
- 1077 63G-3-402.
- 1078 [~~(29)~~] (30) The Colorado River Authority of Utah, created in Title 63M, Chapter 14,
- 1079 Colorado River Authority of Utah Act.
- 1080 [~~(30)~~] (31) The Governor's Office of Economic Opportunity to fund the Enterprise Zone
- 1081 Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 1082 [~~(31)~~] (32) The Governor's Office of Economic Opportunity's Rural Employment Expansion

1083 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion
1084 Program.

1085 ~~[(32)]~~ (33) County correctional facility contracting program for state inmates as described in
1086 Section 64-13e-103.

1087 ~~[(33)]~~ (34) County correctional facility reimbursement program for state probationary
1088 inmates and state parole inmates as described in Section 64-13e-104.

1089 ~~[(34)]~~ (35) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.

1090 ~~[(35)]~~ (36) The Division of Human Resource Management user training program, as
1091 provided in Section 63A-17-106.

1092 ~~[(36)]~~ (37) A public safety answering point's emergency telecommunications service fund,
1093 as provided in Section 69-2-301.

1094 ~~[(37)]~~ (38) The Traffic Noise Abatement Program created in Section 72-6-112.

1095 ~~[(38)]~~ (39) The money appropriated from the Navajo Water Rights Negotiation Account to
1096 the Division of Water Rights, created in Section 73-2-1.1, for purposes of participating
1097 in a settlement of federal reserved water right claims.

1098 ~~[(39)]~~ (40) The Judicial Council for compensation for special prosecutors, as provided in
1099 Section 77-10a-19.

1100 ~~[(40)]~~ (41) A state rehabilitative employment program, as provided in Section 78A-6-210.

1101 ~~[(41)]~~ (42) The Utah Geological Survey, as provided in Section 79-3-401.

1102 ~~[(42)]~~ (43) The Bonneville Shoreline Trail Program created under Section 79-5-503.

1103 ~~[(43)]~~ (44) Adoption document access as provided in Sections 81-13-103, 81-13-504, and
1104 81-13-505.

1105 ~~[(44)]~~ (45) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
1106 Defense Commission.

1107 ~~[(45)]~~ (46) The program established by the Division of Facilities Construction and
1108 Management under Section 63A-5b-703 under which state agencies receive an
1109 appropriation and pay lease payments for the use and occupancy of buildings owned by
1110 the Division of Facilities Construction and Management.

1111 ~~[(46)]~~ (47) The State Tax Commission for reimbursing counties for deferrals in accordance
1112 with Section 59-2-1802.5.

1113 ~~[(47)]~~ (48) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
1114 Section 20. **FY 2027 Appropriations.**

1115 The following sums of money are appropriated for the fiscal year beginning July 1,
1116 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for

1117 fiscal year 2027.

1118 Subsection 20(a). **Operating and Capital Budgets**

1119 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1120 Legislature appropriates the following sums of money from the funds or accounts indicated for
1121 the use and support of the government of the state of Utah.

1122 ITEM 1 To Utah Board of Higher Education - Administration

1123 From Income Tax Fund, One-time 50,000,000

1124 Schedule of Programs:

1125 Pass Through Funding 50,000,000

1126 The Legislature intends that the Utah Board of
1127 Higher Education use the funding in this item to
1128 implement the Higher Education Research Funding Pilot
1129 Program described in Section 53H-8-211.

1130 Section 21. **Effective Date.**

1131 This bill takes effect on July 1, 2026.