

1                   **Utah Fits All Scholarship Program Modifications**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Candice B. Pierucci**

Senate Sponsor:

---

---

3                   **LONG TITLE**4                   **General Description:**

5                   This bill modifies the Utah Fits All Scholarship Program.

6                   **Highlighted Provisions:**

7                   This bill:

- 8                   ▸ amends the definition of private school;
- 9                   ▸ clarifies that eligible students must be under 19 years old as of September 1 of the
- 10                   scholarship year;
- 11                   ▸ establishes consumer protection standards for scholarship expenses and reimbursements;
- 12                   ▸ clarifies the role of online and virtual schools in the program;
- 13                   ▸ enhances program oversight and compliance mechanisms;
- 14                   ▸ improves customer service and marketplace operation standards; and
- 15                   ▸ makes technical and conforming changes.

16                   **Money Appropriated in this Bill:**

17                   None

18                   **Other Special Clauses:**

19                   This bill provides a special effective date.

20                   **Utah Code Sections Affected:**21                   **AMENDS:**

- 22                   **53F-6-401**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9
- 23                   **53F-6-402**, as last amended by Laws of Utah 2025, Chapter 25
- 24                   **53F-6-405**, as last amended by Laws of Utah 2025, Chapter 25
- 25                   **53F-6-406**, as last amended by Laws of Utah 2025, Chapter 25
- 26                   **53F-6-408**, as last amended by Laws of Utah 2025, Chapter 25
- 27                   **53F-6-409**, as last amended by Laws of Utah 2025, Chapter 25

---

---

29                   *Be it enacted by the Legislature of the state of Utah:*30                   Section 1. Section **53F-6-401** is amended to read:

31           **53F-6-401 . Definitions.**

32           As used in this part:

33           (1) "Contract administrator" means the state board's appointed Deputy Superintendent of  
34           Operations that ensures the program manager or financial administrator meets  
35           contractual obligations.

36           (2) "Contract oversight and compliance" means the oversight and coordination functions  
37           performed by the Department of Operations contract administrator, including:

38           (a) establishing and maintaining program standards within a contract with a program  
39           manager or financial administrator;  
40           (b) determining operational requirements and structures;  
41           (c) procuring and managing contracts for program services and standards;  
42           (d) ensuring program integrity through direct or contracted oversight;  
43           (e) coordinating program functions and contracted services with a program manager or  
44           financial administrator; and  
45           (f) maintaining appropriate separation between government oversight and independent  
46           program operations.

47           (3) "Contracted entity" means:

48           (a) an organization that:

49           (i) contracts with the state board under Section 53F-6-404 to perform duties and  
50           functions necessary for program administration and operations;  
51           (ii) is not affiliated with any international organization;  
52           (iii) does not harvest data for the purpose of reproducing or distributing the data to  
53           other entities;  
54           (iv) is not involved in guiding or directing any curriculum or curriculum standards;  
55           and  
56           (v) performs the specific duties and functions assigned in the contract with the state  
57           board.

58           (b) "Contracted entity" includes:

59           (i) the program manager, unless the program manager is the Department of  
60           Operations for any duration of time;  
61           (ii) the financial administrator; and  
62           (iii) any other entity contracted to perform program functions under Section  
63           53F-6-404.

64           (c) "Contracted entity" does not include:

65 (i) a qualifying provider;

66 (ii) an eligible school; or

67 (iii) an eligible service provider.

68 (4)(a) "Contracted entity employee" means an individual working for an entity  
69 contracted under Section 53F-6-404 in a position in which the individual's salary,  
70 wages, pay, or compensation, including as a contractor, is paid from scholarship  
71 funds.

72 (b) "Contracted entity employee" does not include:

73 (i) an individual who volunteers for a contracted entity or for a qualifying provider;  
74 (ii) an individual who works for a qualifying provider; or  
75 (iii) a qualifying provider.

76 (5) "Contracted entity officer" means:

77 (a) a member of the board of a contracted entity; or  
78 (b) the chief administrative officer of a contracted entity.

79 (6) "Department of Operations" means the section of the state board that oversees financial  
80 operations, procurement operations, data and statistics operations, school land trust, and  
81 information technology operations for the state board.

82 (7)(a) "Educational supplements" means:

83 (i) materials, tools, and equipment that:

84 (A) are directly related to and necessary for subjects aligned with the core  
85 standards the state board establishes pursuant to Section 53E-4-202;  
86 (B) are used for specific learning objectives or competencies;  
87 (C) support structured learning activities or lessons; and  
88 (D) are consumable or non-reusable in nature;

89 (ii) supplemental learning materials that:

90 (A) directly support or enhance the delivery of instruction in core academic  
91 subjects;  
92 (B) are tied to specific educational goals or outcomes; and  
93 (C) are not primarily for entertainment or general enrichment purposes;

94 (iii) arts and music education materials that:

95 (A) align with state core standards; and  
96 (B) are used in structured arts or music instruction; and

97 (iv) other educational materials that the program manager determines are:

98 (A) necessary for meeting specific learning objectives;

- (B) appropriate for the student's age or grade level; and
- (C) primarily educational rather than recreational in nature.

(b) "Educational supplements" does not include:

- (i) entertainment materials;
- (ii) recreational equipment;
- (iii) food or nutritional items;
- (iv) furniture or household items;
- (v) general office supplies not specific to an educational activity; or
- (vi) other items that do not have a clear, direct educational purpose aligned with academic instruction.

(8) "Eligible student" means a student:

- (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;
- (b) who has not reached 19 years old before September 1 of the school year;
- [~~(b)~~] (c) who is a primary resident of the state, including a child of a military service member, as that term is defined in Section 53H-11-202;
- [~~(e)~~] (d) who, during the school year for which the student is applying for a scholarship account:

  - (i) does not receive a scholarship under:
    - (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or
    - (B) the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402; and
  - (ii) before receiving the scholarship is not enrolled in:
    - (A) an LEA; or
    - (B) the Statewide Online Education Program to participate in a course with funding provided under Chapter 4, Part 5, Statewide Online Education Program, which does not include participation in a course by an entity as described in Subsection 53F-6-409(7);

- [~~(d)~~] (e) whose eligibility is not suspended or disqualified under Section 53F-6-401;
- [~~(e)~~] (f) who completes, to maintain eligibility, the portfolio requirement described in Subsection 53F-6-402(3)(d);
- [~~(f)~~] (g) who provides verification of primary residence in Utah, including a parent's utility bill, mortgage statement, lease agreement, or property tax records from the current calendar year in which the eligible student is renewing, reapplying, or applying for the scholarship for the first time; and

133 [({g})] (h) for out-of-state military families, who attests that the student is not enrolled in a  
134 public school elsewhere while receiving the scholarship.

135 (9) "Federal poverty level" means the United States poverty level as defined by the most  
136 recently revised poverty income guidelines published by the United States Department  
137 of Health and Human Services in the Federal Register.

138 (10)(a) "Financial administrator" means an organization that:  
139 (i) is not affiliated with any international organization;  
140 (ii) does not harvest data for the purpose of reproducing or distributing the data to  
141 other entities;  
142 (iii) is not involved in guiding or directing any curriculum or curriculum standards;  
143 and  
144 (iv) contracts with the state board to administer scholarship payments in accordance  
145 with this part.

146 (b) "Financial administrator" may include an organization that serves as both program  
147 manager and financial administrator if the organization maintains appropriate  
148 separation of duties and meets all qualifications for both roles.

149 (11)(a) "Home-based scholarship student" means a student who:  
150 (i) is eligible to participate in public school, in kindergarten or grades 1 through 12;  
151 (ii) attests to being exited from enrollment in a public school to attend a home-based  
152 learning environment if the student was enrolled at any time in a public school;  
153 and  
154 (iii) receives a benefit of scholarship funds.

155 (b) "Home-based scholarship student" does not mean a home-based student who does  
156 not receive a scholarship under the program.

157 (12) "Household income" means:  
158 (a) the combined gross income of all parents residing in the same household as the  
159 eligible student;  
160 (b) the gross income of a single parent who claims the student as a dependent; or  
161 (c) the gross income of a parent who claims the student as a dependent under the terms  
162 of a joint custody agreement.

163 (13) "Parent" means:  
164 (a) the same as that term is defined in Section 53E-1-102; and  
165 (b) a foster parent who has initiated a process to adopt the foster child.

166 (14) "Primary residence" means the one location where an individual resides for the

167 majority of the year.

168 (15) "Private school" means:

169 (a) before the 2026-2027 school year, a full-time, tuition-bearing educational institution  
170 where the student receives the majority of the student's academic instruction[.] ; and

171 (b) beginning the 2026-2027 school year, a non-public educational institution that:

172 (i) provides full-time, tuition-funded academic instruction as a student's primary  
173 educational setting;

174 (ii) serves students in kindergarten through grade 12;

175 (iii) delivers a comprehensive curriculum across core academic subjects;

176 (iv) maintains daily instructional schedules and provides consistent oversight of  
177 student learning;

178 (v) is responsible for monitoring academic progress, maintaining official student  
179 records, and supporting structured advancement through defined grade levels;

180 (vi) guides students toward completion of an established course of study, culminating  
181 in graduation or formal program completion;

182 (vii) requires regular in-person attendance at a physical location;

183 (viii) functions as the primary source of education for enrolled students rather than as  
184 supplementary or part-time services; and

185 (ix) is not primarily an online or virtual school.

186 (16)(a) "Program manager" means a contracted entity or entities that:

187 (i) perform program operational functions outlined in the procurement agreement  
188 described in Section 53F-6-404, including:

189 (A) processing scholarship applications and eligibility determinations;

190 (B) maintaining scholarship account records;

191 (C) coordinating with qualifying providers and the financial administrator; and

192 (D) providing customer service to program participants;

193 (ii) in accordance with required program administration, implement established  
194 program standards and procedures; and

195 (iii) perform other operational duties as specified in the contract.

196 (b) "Program manager" may include an organization that serves as both program  
197 manager and financial administrator if the organization maintains appropriate  
198 separation of duties and meets all qualifications for both roles.

199 (17)(a) "Qualifying provider" means one of the following entities:

200 (i) an eligible school that the program manager approves in accordance with Section

201 53F-6-408; or

202 (ii) an eligible service provider that the program manager approves in accordance  
203 with Section 53F-6-409.

204 (b) "Qualifying provider" does not include:

205 (i) a parent of a home-based scholarship student solely in relation to the parent's  
206 child; or

207 (ii) any other individual that does not meet the requirements described in Subsection  
208 (17)(a).

209 (18) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle,  
210 aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,  
211 sister-in-law, son-in-law, or daughter-in-law.

212 (19) "Scholarship account" means the account to which a program manager allocates funds  
213 for the payment of approved scholarship expenses in accordance with this part.

214 (20)(a) "Scholarship expense" means an expense described in Section 53F-6-402 that a  
215 parent or scholarship student incurs in the education of the scholarship student for a  
216 service or goods that a qualifying provider provides, including:

217 (i)(A) tuition and fees of a qualifying provider;

218 (B) for a private school student, tuition expenses only at an eligible school or  
219 through the reimbursement process described in Subsections 53F-6-402(8) and  
220 53F-6-402(15);

221 (ii) fees and instructional materials at a technical college;

222 (iii) tutoring services;

223 (iv) fees for after-school or summer education programs;

224 (v) textbooks, curricula, or other instructional materials, including any supplemental  
225 materials or associated online instruction that a curriculum or a qualifying  
226 provider recommends;

227 (vi) educational software and applications;

228 (vii) supplies or other equipment related to a scholarship student's educational needs;

229 (viii) computer hardware or other technological devices that are intended primarily  
230 for a scholarship student's educational needs, not to exceed once every three years  
231 for a scholarship student;

232 (ix) fees for the following examinations, or for a preparation course for the following  
233 examinations, that the program manager approves:

234 (A) a national norm-referenced or standardized assessment described in Section

53F-6-410, an advanced placement examination, or another similar assessment;

- (B) a state-recognized industry certification examination; and
- (C) an examination related to college or university admission;
- (x) educational services for students with disabilities from a licensed or accredited practitioner or provider, including occupational, behavioral, physical, audiology, or speech-language therapies;
- (xi) contracted services that the program manager approves and that an LEA provider offers, including individual classes, after-school tutoring services, transportation, or fees or costs associated with participation in extracurricular activities;
- (xii) ride fees or fares for a fee-for-service transportation provider to transport the scholarship student to and from a qualifying provider, not to exceed \$750 in a given school year;
- (xiii) in accordance with Subsection (20)(c), expenses related to extracurricular activities, field trips, educational supplements, physical education experiences, and other educational experiences;
- (xiv) coursework or an educational supplement for arts and music that aligns with state core standards;
- (xv) a musical instrument rental, excluding purchase; or
- (xvi) any other expense for a good or service that:
  - (A) a parent or scholarship student incurs in the education of the scholarship student; and
  - (B) the program manager approves.

"Scholarship expense" does not include:

- (i) chaperone expenses, except that a family with one or more scholarship students receiving the scholarship under Subsection 53F-6-402(2)(c) may use scholarship funds for one chaperone expense or pass per family, regardless of how many scholarship students are in the family or household;
- (ii) season tickets or subscriptions to entertainment venues;
- (iii) ski passes or lift tickets;
- (iv) access to recreational facilities unless for physical education of the student;
- (v) playground equipment;
- (vi) the purchase of any type of:
  - (A) furniture; or
  - (B) a musical instrument;

269 (vii) apparel; and  
270 (viii) other non-educational expenses as the program manager determines.

271 (c)(i) A scholarship expense for extracurricular activities may not exceed 20% of the  
272 total scholarship amount.

273 (ii) A scholarship expense for physical education requirements may not exceed an  
274 additional 20% of the total scholarship amount from the amount described in  
275 Subsection (20)(c)(i).

276 (iii) A scholarship expense for arts and music described in Subsection (20)(a)(xiv) is  
277 not an extracurricular activity.

278 (21) "Scholarship funds" means:

279 (a) funds that the Legislature appropriates for the program; and  
280 (b) interest that scholarship funds accrue.

281 (22)(a) "Scholarship student" means an eligible student, including a home-based  
282 scholarship student, for whom the program manager establishes and maintains a  
283 scholarship account in accordance with this part.

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

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

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

289 **53F-6-402 . Utah Fits All Scholarship Program -- Scholarship account**  
290 **application -- Scholarship expenses -- Program information.**

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

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

296 (b) The program manager shall:

297 (i) determine that a student meets the requirements to be an eligible student; and  
298 (ii) subject to Subsection (2)(c), each year the student is an eligible student,  
299 coordinate with the financial administrator to maintain a scholarship account for  
300 the scholarship student to pay for the cost of one or more scholarship expenses  
301 that the student or student's parent incurs in the student's education.

302 (c)(i) Each year, subject to this part and legislative appropriations, a scholarship

303 student is eligible for no more than:

304 [i] (A) for a private school student, \$8,000;  
305 [ii] (B) for a home-based scholarship student age 5-11 as of September 1 of the  
306 scholarship year, \$4,000; and  
307 [iii] (C) for a home-based scholarship student age 12-18 as of September 1 of the  
308 scholarship year, \$6,000.

309 (ii) Beginning the 2026-2027 school year, scholarship funds awarded for private  
310 school students under Subsection (2)(c)(i) may only be used for tuition expenses  
311 at an eligible school approved under Section 53F-6-408 or for monthly tuition  
312 reimbursement as provided in Subsection (8) and Subsection (15).

313 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds to eligible  
314 scholarship students shall be distributed to the program manager and through the  
315 financial administrator in two equal payments:  
316 (i) the first payment no later than July 31 of the scholarship year; and  
317 (ii) the second payment no later than December 31 of the scholarship year.

318 (e) When a scholarship student exits the program during the school year:  
319 (i) the program manager or the financial administrator shall:  
320 (A) remove any remaining funds from the exited student's scholarship account; and  
321 (B) make those funds available for new scholarship awards within the same year;  
322 and  
323 (ii) any new scholarship award made during the same year and using funds from an  
324 exited student's account shall be prorated as follows:  
325 (A) if awarded during the second quarter of the school year, no more than 75% of  
326 the annual scholarship amount is allocated;  
327 (B) if awarded during the third quarter of the school year, no more than 50% of  
328 the annual scholarship amount is allocated; and  
329 (C) no new scholarship awards shall be made during the fourth quarter of the  
330 school year.

331 (3)(a) In accordance with required program administration, a program manager shall  
332 direct the financial administrator to establish a scholarship account on behalf of an  
333 eligible student who submits a timely application, unless the number of applications  
334 exceeds available scholarship funds for the school year.  
335 (b) If the number of applications exceeds the available scholarship funds for a school  
336 year, the program manager shall select students on a random basis, except as

provided in Subsection (6), and as long as the student meets the eligibility criteria.

(c) An eligible student or a public education student shall submit an application for an initial scholarship or renewal for each school year that the student intends to receive scholarship funds.

(d)(i) To maintain eligibility for the following school year, a scholarship student or the scholarship student's parent shall:

- (A) complete and deliver to the program manager a portfolio describing the scholarship student's educational opportunities and achievements under the program for the given year; or
- (B) submit results from an assessment as described in Section 53F-6-410.

(ii) The portfolio or assessment described in Subsection (3)(d)(i) must be submitted:

- (A) no later than May 31; or
- (B) in accordance with the assessment schedule submitted to and approved by the program manager.

(iii) The receipt of the portfolio or assessment results by the program manager is a condition of scholarship award for the following school year.

(iv) The program manager may not disclose the content of a given scholarship student's portfolio except to the scholarship student's parent, unless the parent provides written consent for the portfolio to be used as a sample or example, in which case all personally identifiable information must be removed prior to such use.

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

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

"I acknowledge that:

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

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

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

4: My child may return to a public school at any time, and I will notify the program

371 manager within five business days if my child returns to a public school that is not a qualifying  
372 provider or if we have elected to take courses from the public portion of a qualifying  
373 provider.". .

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

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

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

383 (i) imply that a public school did not provide a free and appropriate public education  
384 for a student; or  
385 (ii) constitute a waiver or admission by the state.

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

388 (6)(a) A program manager shall give an enrollment preference based on the following  
389 order of preference:

390 (i) to an eligible student who used a scholarship account in the previous school year  
391 and has submitted the required accountability measure;

392 (ii) to an eligible student who is a sibling of an eligible student who:  
393 (A) uses a scholarship account at the time the sibling applies for a scholarship  
394 account; or  
395 (B) used a scholarship account in the school year immediately preceding the  
396 school year for which the sibling is applying for a scholarship account;  
397 [(ii)] (iii) to an eligible student:

398 (A) who did not use a scholarship account in the previous school year; [and]  
399 (B) with a family income at or below 300% of the federal poverty level; and  
400 (C) was part of a household that received a partial scholarship award under  
401 Subsection 53F-6-402(14)(c) and the sibling was not among the children who  
402 received a scholarship in that partial award; and

403 [(iii) to an eligible student who is a sibling of an eligible student who:]  
404 [(A) uses a scholarship account at the time the sibling applies for a scholarship

405 aeeount; or]

406 [(B) used a scholarship account in the school year immediately preceding the  
407 school year for which the sibling is applying for a scholarship account; and]

408 (iv) for any remaining scholarships, to an eligible student on a lottery basis.

409 (b) If the number of eligible students within any preference tier described in Subsection  
410 (6)(a) exceeds available scholarship funds the program manager shall grant awards  
411 on a lottery basis.

412 (c)(i) For income verification purposes, a parent of a scholarship student shall:

413 (A) provide written consent authorizing the State Tax Commission to disclose the  
414 parent's state individual income tax return information to the program manager;  
415 and

416 (B) submit the consent in a form prescribed by the State Tax Commission.

417 (ii) Upon receiving the consent described in Subsection (6)(c)(i), the State Tax  
418 Commission shall provide state individual income tax information to the program  
419 manager for income verification purposes regarding the parent within 10 business  
420 days.

421 (d) For income verification purposes:

422 (i) the program manager shall require documentation of household income, not  
423 individual income;

424 (ii) if the individual income tax is a business income filing, require:

425 (A) the most recently filed business tax returns;

426 (B) year-to-date profit and loss statements; and

427 (C) documentation of the owner's draw or distributions; and

428 (iii) for households awaiting completion of tax filings for the year immediately  
429 preceding the current year, the program manager shall accept the following  
430 documentation for conditional approval and only until such a time as the current  
431 tax year returns, year-to-date profit and loss statements, or documentation of  
432 owner's draw or distributions are provided for the current tax year:

433 (A) the most recent W-2s;

434 (B) a current pay stub showing year-to-date earnings; and

435 (C) an employer verification letter.

436 (7)(a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account  
437 to pay for a scholarship expense from a qualifying provider that a parent or  
438 scholarship student incurs in the education of the scholarship student.

439 (b) A scholarship student or the scholarship student's parent may not use a scholarship  
440 account for an expense that the student or parent does not incur in the education of  
441 the scholarship student, including:  
442 (i) a rehabilitation program that is not primarily designed for an educational purpose;  
443 or  
444 (ii) a travel expense other than a transportation expense described in Section  
445 53F-6-401.

446 (c) The program manager or financial administrator may not:  
447 (i) approve a scholarship expense for a service that a qualifying provider provides  
448 unless the program manager determines that the scholarship student or the  
449 scholarship student's parent incurred the scholarship expense in the education of  
450 the scholarship student; or  
451 (ii) reimburse an expense for a service or good that a provider that is not a qualifying  
452 provider provides unless:  
453 (A) the parent or scholarship student submits a receipt that shows the cost and  
454 type of service or good and the name of provider;  
455 (B) the expense would have qualified as a scholarship expense if a qualifying  
456 provider provided the good or service;  
457 (C) the provider of the good or service is not the parent of the student who is a  
458 home-based scholarship student solely in relation to the parent's child;  
459 (D) the program manager determines that the parent or scholarship student  
460 incurred the expense in the education of the scholarship student; and  
461 (E) the program manager or financial administrator determines that the parent or  
462 scholarship student incurred the expense when the student was not enrolled in a  
463 public school[.] ;  
464 (iii) beginning the 2026-2027 school year, approve or process payment to a private  
465 school that requires a parent to pay the full annual scholarship amount with a  
466 promise or agreement to refund any portion of the scholarship funds to the parent  
467 to be spent on other educational expenses; and  
468 (iv) beginning the 2026-2027 school year, approve payment to a private school for  
469 expenses other than tuition when the student is enrolled as a private school student  
470 under Subsection 53F-6-402(2)(c)(i).

471 (d) The parent of a scholarship student may not receive scholarship funds as payment for  
472 the parent's time spent educating the parent's child.

473 (e) Except for cases in which a scholarship student or the scholarship student's parent is  
474 convicted of fraud in relation to scholarship funds, if a qualifying provider,  
475 scholarship student, or scholarship student's parent repays an expenditure from a  
476 scholarship account for an expense that is not approved under this Subsection (7), the  
477 program manager shall credit the repaid amount back to the scholarship account  
478 balance within 30 days after the day on which the program manager receives the  
479 repayment.

480 (8) Beginning the 2026-2027 school year, for private schools that meet the definition in  
481 Section 53F-6-401 but choose not to become approved eligible schools under Section  
482 53F-6-408, parents may seek monthly tuition reimbursement through the scholarship  
483 account reimbursement process for tuition expenses only.

484 [(8)] (9) Notwithstanding any other provision of law, funds that the program manager or  
485 financial administrator disburses from the Utah Fits All Scholarship Program Restricted  
486 Account created in Section 53F-6-411 under this part to a scholarship account on behalf  
487 of a scholarship student do not constitute state taxable income to the parent of the  
488 scholarship student.

489 [(9)] (10) The program manager shall prepare and disseminate information on the program  
490 to a parent applying for a scholarship account on behalf of a student, including the  
491 information that the program manager provides in accordance with Section 53F-6-405.

492 [(10)] (11) As frequently as necessary to maintain the information, the state board shall  
493 provide information on the state board's website, including:  
494 (a) scholarship account information;  
495 (b) information on the program manager or financial administrator, including the  
496 program manager's or financial administrator's contact information; and  
497 (c) an overview of the program.

498 [(11)] (12) In accordance with required program administration, the program manager shall:  
499 (a) in alignment with deadlines specified in Subsection 53F-6-405(1)(c), establish and  
500 communicate to an eligible student a deadline by which the eligible student must  
501 accept or deny the scholarship offer; and  
502 (b) communicate to an eligible student that failure to respond by the deadline described  
503 in Subsection [(11)(a)] (12)(a) shall result in forfeiture of the scholarship offer.

504 [(12)] (13) In accordance with Subsection 53F-6-403(7), the program manager shall:  
505 (a) verify student eligibility status before removing any student from scholarship  
506 eligibility;

507 (b) establish protocols for reviewing disputed eligibility determinations;  
508 (c) implement a process for immediate reinstatement of eligibility when errors are  
509 identified;  
510 (d) maintain detailed records of all eligibility removals and reinstatements; and  
511 (e) provide regular reports to the state board regarding eligibility status changes of a  
512 scholarship student.

513 (14) When multiple children from the same household apply for scholarships, the program  
514 manager shall:

515 (a) process applications from the same household together;  
516 (b) approve or deny all children in the household as a unit based on the household's  
517 priority tier; and  
518 (c) if insufficient scholarship funds remain to award scholarships to all children in a  
519 household applying as a unit:  
520 (i) notify the household of the number of scholarships available;  
521 (ii) allow the household to choose to:  
522 (A) accept scholarships for the number of children for which funds are available,  
523 with the household determining which children receive scholarships; or  
524 (B) decline the partial award and remain on the waitlist for a future opportunity  
525 when sufficient funds become available to serve all children in the household;  
526 (iii) provide the household at least five business days to make the decision described  
527 in Subsection (14)(c)(ii);  
528 (iv) process the household's decision in accordance with the deadlines established in  
529 Subsection 53F-6-402(12); and  
530 (v) if the household accepts a partial award, place any remaining children from the  
531 household on the waitlist in accordance with the children's original priority tier.

532 (15) Beginning the 2026-2027 school year:

533 (a) a parent may pay tuition directly to a private school that meets the definition in  
534 Section 53F-6-401 but has not been approved as an eligible school under Section  
535 53F-6-408.  
536 (b) The parent may seek monthly reimbursement from the scholarship account for  
537 tuition paid to such a school by submitting:  
538 (i) a receipt or invoice from the private school showing the amount paid, student  
539 name, and services provided;  
540 (ii) evidence that the school meets the definition of a private school in Section

541                   53F-6-401;

542                   (iii) proof of the student's enrollment in the private school, which may include an  
543                   enrollment agreement, acceptance letter, or written verification from the school;  
544                   (iv) for monthly reimbursement requests after the initial reimbursement, proof of the  
545                   student's continued enrollment in the private school; and  
546                   (v) any other documentation the program manager reasonably requires.

547                   (c) The program manager shall process reimbursement requests under this subsection  
548                   within 10 business days of receiving complete documentation.

549                   (d) Reimbursements under this subsection are subject to the annual scholarship limits in  
550                   Subsection (2)(c).

551                   (e) A private school receiving tuition payments under this subsection is not required to:  
552                   (i) submit an application to become an eligible school;  
553                   (ii) meet the requirements of Section 53F-6-408; or  
554                   (iii) enter into any agreement with the program manager or financial administrator.

555                   (f) The reimbursement is limited to tuition expenses only and may not include fees,  
556                   materials, or other costs charged by the private school.

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

558                   **53F-6-405 . Program manager duties -- Audit -- Prohibitions.**

559                   (1) The program manager shall:

560                   (a) administer the program, including:

561                   (i) maintaining an application website that includes information on enrollment,  
562                   relevant application dates, and dates for notification of acceptance;

563                   (ii) reviewing applications from and determining if a person is:

564                   (A) an eligible school under Section 53F-6-408; or

565                   (B) an eligible service provider under Section 53F-6-409;

566                   (iii) establishing an application process that:

567                   (A) opens March 1 of each year for existing scholarship students;

568                   (B) opens April 1 of each year for new scholarship students;

569                   (C) closes May 1 of each year;

570                   (D) aligns with the acceptance deadline established under Subsection

571                   53F-6-402(11) that shall be prior to July 1 of each year; and

572                   (E) provides an eligible student with a decision regarding the eligible student's  
573                   application within 30 days of the application deadline specified in this  
574                   Subsection (1)(a);

575 (iv) reviewing and granting or denying applications for a scholarship account;

576 (v) determining the eligibility of scholarship expenses, including establishing

577 necessary policies and procedures;

578 (vi) approving qualifying providers in accordance with Section 53F-6-403; [and]

579 (vii) maintaining a list of approved qualifying providers; and

580 (viii) coordinating with the Department of Operations on policy interpretations,

581 compliance issues, and customer service standards;

582 (b) direct the financial administrator to:

583 (i) provide an online portal for the parent of a scholarship student to access the

584 scholarship student's account;

585 (ii) facilitate payments to a qualifying provider from the online portal;

586 (iii) ensure that scholarship funds in a scholarship account are readily available to a

587 scholarship student within five business days after receipt of funds from the state

588 board;

589 (iv) process scholarship payments in accordance with the payment schedule

590 established in Section 53F-6-411, unless otherwise authorized;

591 (v) in accordance with program administration when needed, develop and implement

592 a commercially viable, cost-effective, and parent-friendly system that:

593 (A) processes scholarship payments;

594 (B) maximizes payment flexibility;

595 (C) allows scholarship students and scholarship student's parents to publicly rate,

596 review, and share information about qualifying providers; and

597 (D) provides the program manager with continuous, real-time, view-only access to

598 all scholarship account transactions and balances, payment processing status,

599 provider payment history, reimbursement tracking, and account reconciliation

600 data;

601 (vi) upon receiving notification under Subsection (1)(c):

602 (A) obtain reimbursement of scholarship funds from a qualifying provider that

603 provides the services in which a scholarship student is no longer enrolled or

604 with which the scholarship student is no longer engaged; and

605 (B) expend all revenue from interest on scholarship funds or investments on

606 scholarship expenses; and

607 (vii) implement accounting procedures to track partial payments and remaining

608 balances;

609 (c) require a parent to notify the program manager if the parent's scholarship student is  
610 no longer enrolled in or engaging a service:  
611 (i) for which the scholarship student receives scholarship funds; and  
612 (ii) that is provided to the scholarship student for an entire school year;

613 (d) each time the program manager makes an administrative decision that is adverse to a  
614 scholarship student or the scholarship student's parent, inform the scholarship student  
615 and the scholarship student's parent of the opportunity and process to appeal an  
616 administrative decision of the program manager in accordance with the process  
617 described in Section 53F-6-417;

618 (e) maintain a protected internal waitlist of all eligible students who have applied to the  
619 program and are not yet scholarship students, including any student who removed the  
620 student's application from the waitlist;

621 (f) provide aggregate data regarding the number of scholarship students and the number  
622 of eligible students on the waitlist described in Subsection (1)(e);

623 (g) contract for annual and random audits on scholarship accounts conducted:  
624 (i) by a certified public accountant who is independent from:  
625 (A) the program manager; and  
626 (B) the financial administrator's accounts and records pertaining to scholarship  
627 funds; and  
628 (ii) in accordance with generally accepted auditing standards;

629 (h) require the financial administrator to demonstrate financial accountability through  
630 annual reporting requirements described in Section 53F-6-405.5;

631 (i) develop and implement an annual orientation for qualifying providers;

632 (j) administer the appeals process described in Section 53F-6-417;

633 (k) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;

634 (l) track and ensure compliance of allowed scholarship expenses; [and]

635 (m) comply with enhanced accountability measures, including independent audits and  
636 public disclosure of third-party contracts and fees related to the administration of the  
637 program[.]; and

638 (n) process parent reimbursement requests within 10 business days after the program  
639 manager approves the expense and direct the financial administrator to process  
640 approved reimbursements within this timeframe.

641 (2) The program manager shall:

642 (a) require the financial administrator to submit monthly financial reports including:

643 (i) a statement of financial position;

644 (ii) a statement of activities;

645 (iii) account reconciliation statements;

646 (iv) detailed transaction reports; and

647 (v) exception reports highlighting any unusual activity; and

648 (b) oversee the financial administrator's compliance with requirements regarding:

649 (i) except for a reimbursement authorized under this part, the use of scholarship funds

650 from the online portal directly to a qualifying provider to pay for scholarship

651 expenses without the availability of withdrawal or other direct access to

652 scholarship funds by an individual; and

653 (ii) system compliance with industry standards for data privacy and cybersecurity,

654 including ensuring compliance with the Family Educational Rights and Privacy

655 Act, 34 C.F.R. Part 99.

656 (3) In advance of the program manager accepting applications in accordance with Section

657 53F-6-402 and as regularly as information develops, the program manager shall provide

658 information regarding the program by publishing a program handbook online for

659 scholarship applicants, scholarship students, parents, service providers seeking to

660 become qualifying providers, and qualifying providers, that includes information

661 regarding:

662 (a) the policies and processes of the program;

663 (b) approved scholarship expenses and qualifying providers, including the limitation that

664 private school scholarships may only be used for tuition expenses;

665 (c) the responsibilities of parents regarding the program and scholarship funds;

666 (d) the duties of each contracted entity; and

667 (e) the opportunity and process to appeal an administrative decision of the program

668 manager in accordance with the process described in Section 53F-6-417.

669 (4) To ensure the fiscal security and compliance of the program, the program manager shall:

670 (a) prohibit any person from handling, managing, or processing scholarship funds, if, the

671 person poses a risk to the appropriate use of scholarship funds, as determined by

672 background checks the program manager conducted in accordance with Section

673 53F-6-407;

674 (b) establish procedures to ensure a fair process to:

675 (i) suspend scholarship student's eligibility for the program in the event of the

676 scholarship student's or scholarship student's parent's:

677 (A) intentional or substantial misuse of scholarship funds; or  
678 (B) violation of this part or the terms of the program; and  
679 (ii) if the program manager or financial administrator obtains evidence of fraudulent  
680 use of scholarship funds, refer the case to the attorney general for collection or  
681 criminal investigation; and  
682 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified  
683 under this Subsection (4)(b) or Subsection (4)(c) based on the actions of the  
684 student's parent regains eligibility if the student is placed with a different parent or  
685 otherwise no longer resides with the parent related to the suspension or  
686 disqualification; and  
687 (c) notify the financial administrator, scholarship student, and scholarship student's  
688 parent in writing:  
689 (i) of the suspension described in Subsection (4)(b)(i);  
690 (ii) that no further transactions, disbursements, or reimbursements are allowed;  
691 (iii) that the scholarship student or scholarship student's parent may take corrective  
692 action within 10 business days of the day on which the program manager provides  
693 the notification; and  
694 (iv) that without taking the corrective action within the time period described in  
695 Subsection (4)(c)(iii), the program manager may disqualify the student's eligibility.  
696 (5)(a) A program manager may not direct the financial administrator to:  
697 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider  
698 to use scholarship funds if:  
699 (A) the program manager determines that the qualifying provider intentionally or  
700 substantially misrepresented information on overpayment;  
701 (B) the qualifying provider fails to refund an overpayment in a timely manner; or  
702 (C) the qualifying provider routinely fails to provide scholarship students with  
703 promised educational services; or  
704 (ii) reimburse with scholarship funds an individual for the purchase of a good or  
705 service if the program manager determines that:  
706 (A) the scholarship student or the scholarship student's parent requesting  
707 reimbursement intentionally or substantially misrepresented the cost or  
708 educational purpose of the good or service; or  
709 (B) the relevant scholarship student was not the exclusive user of the good or  
710 service.

711 (b) A program manager shall notify a scholarship student if the program manager:

712 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying

713 provider under Subsection (5)(a)(i); or

714 (ii) refuses reimbursement under Subsection (5)(a)(ii).

715 (6)(a) At any time, a scholarship student may change the qualifying provider to which

716 the scholarship student's scholarship account makes distributions.

717 (b) If, during the school year, a scholarship student changes the student's enrollment in

718 or engagement with a qualifying provider to another qualifying provider, the program

719 manager may direct the financial administrator to prorate scholarship funds between

720 the qualifying providers based on the time the scholarship student received the goods

721 or services or was enrolled.

722 (7) A program manager may not subvert the enrollment preferences required under Section

723 53F-6-402 or other provisions of this part to establish a scholarship account on behalf of

724 a relative of a contracted entity employee or contracted employee officer.

725 (8) In regards to customer service needs related to the program, the program manager shall:

726 (a) provide customer service regarding:

727 (i) program eligibility determinations;

728 (ii) application status;

729 (iii) qualifying provider approvals;

730 (iv) scholarship expense eligibility;

731 (v) program policies and requirements;

732 (vi) appeals and grievances;

733 (vii) accessibility for disabled individuals; and

734 (viii) general program information;

735 (b) ensure the financial administrator provides customer service regarding:

736 (i) scholarship account access;

737 (ii) payment processing status;

738 (iii) technical support for the payment portal;

739 (iv) account balance inquiries;

740 (v) transaction history; and

741 (vi) reimbursement status;

742 (c) establish customer service standards that the program manager and the financial

743 administrator must meet;

744 (d) require the financial administrator to:

745 (i) maintain adequate customer service staffing;  
746 (ii) meet specified response time requirements; and  
747 (iii) track and report on customer service metrics; [and]  
748 (e) coordinate with the financial administrator to ensure seamless referral of inquiries  
749 between contracted entities[.];  
750 (f) maintain call center capacity adequate to serve current program participation levels,  
751 including:  
752 (i) sufficient staffing to handle call volume during standard and peak enrollment  
753 periods;  
754 (ii) scalability plans to increase customer service capacity as program enrollment  
755 grows; and  
756 (iii) regular capacity assessments to ensure staffing and infrastructure meet program  
757 demands; and  
758 (g) continue improvement of customer service based on parent feedback.  
759 (9) Contracted entities may not charge processing fees to an eligible student or pass on  
760 third-party fees related to the use or management of scholarship funds.  
761 (10) The program manager shall establish and maintain a pre-approval process for  
762 scholarship expenses that:  
763 (a) allows parents to submit expense requests for review before incurring the expense;  
764 (b) provides a response within seven business days indicating whether:  
765 (i) the expense is approved as an allowable scholarship expense;  
766 (ii) the expense requires additional information or documentation; or  
767 (iii) the expense is not an allowable scholarship expense, with a clear explanation of  
768 the reason for denial;  
769 (c) is accessible through the online portal, email, and telephone; and  
770 (d) maintains documentation of all pre-approval requests and decisions.  
771 (11) If the program manager operates a marketplace for educational products or services:  
772 (a) prices shall reflect fair market value;  
773 (b) parents may purchase substantially similar items elsewhere and seek reimbursement;  
774 (c) the program manager may not require exclusive marketplace purchases;  
775 (d) the program manager may not resell used or returned goods through the marketplace;  
776 and  
777 (e) nothing in this subsection prohibits parents from purchasing used or resale  
778 educational materials, supplies, or equipment from third parties and seeking

779 reimbursement through the scholarship account reimbursement process in accordance  
780 with this part.

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

782 **53F-6-406 . Qualifying provider regulatory autonomy -- Home school autonomy**  
783 **-- Student records -- Scholarship student status.**

784 (1) Nothing in this part:

785 (a) except as expressly described in this part, grants additional authority to any state  
786 agency or LEA to regulate or control:  
787 (i) a private school, qualifying provider, or home school;  
788 (ii) students receiving education from a private school, qualifying provider, or home  
789 school;  
790 (b) applies to or otherwise affects the freedom of choice of a home school student,  
791 including the curriculum, resources, developmental planning, or any other aspect of  
792 the home school student's education; or  
793 (c) except as expressly provided in Section 53F-6-408 regarding LEA providers,  
794 expands the regulatory authority of the state, a state office holder, or an LEA to  
795 impose any additional regulation of a qualifying provider beyond any regulation  
796 necessary to administer this part.

797 (2) A qualifying provider:

798 (a) has a right to maximum freedom from unlawful governmental control in providing  
799 for the educational needs of a scholarship student who attends or engages with the  
800 qualifying provider; and  
801 (b) is not an agent of the state by virtue of the provider's acceptance of payment from a  
802 scholarship account in accordance with this part.

803 (3) Except as provided in Section 53F-6-403 regarding qualifying providers, Section  
804 53F-6-408 regarding eligible schools, or Section 53F-6-409 regarding eligible service  
805 providers, a program manager may not require a qualifying provider to alter the  
806 qualifying provider's creed, practices, admissions policies, hiring practices, or curricula  
807 in order to accept scholarship funds.

808 (4) An LEA or a school in an LEA in which a scholarship student was previously enrolled  
809 shall provide to the scholarship student's parent a copy of all school records relating to  
810 the student that the LEA possesses within 30 days after the day on which the LEA or  
811 school receives the parent's request for the student's records, subject to:  
812 (a) Title 53E, Chapter 9, Student Privacy and Data Protection; and

814 (b) Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g.

815 (5) By virtue of a scholarship student's involvement in the program and unless otherwise  
816 expressly provided in statute, a scholarship student is not:

817 (a) enrolled in the public education system; or

818 (b) otherwise subject to statute, administrative rules, or other state regulations as if the  
819 student was enrolled in the public education system.

820 (6)(a) A scholarship student may participate in public school athletics and  
821 extracurricular activities in the same manner as a home school student or private  
822 school student under Section 53G-6-702.

823 (b) An LEA may not:

824 (i) deny a scholarship student the opportunity to participate in athletics or  
825 extracurricular activities based solely on the student's scholarship status; or

826 (ii) impose requirements on scholarship students for athletic or extracurricular  
827 participation that are more restrictive than those imposed on home school students  
828 or private school students.

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

830 **53F-6-408 . Eligible schools.**

831 (1) To be eligible to receive scholarship funds on behalf of a scholarship student as an  
832 eligible school, a private school with 150 or more enrolled students shall:  
833 ~~[(a)(i) contract with an independent licensed certified public accountant to conduct~~  
834 ~~an agreed upon procedures engagement as the state board adopts, or obtain an~~  
835 ~~audit and report that:]~~

836 ~~[(A) a licensed independent certified public accountant conducts in accordance~~  
837 ~~with generally accepted auditing standards;]~~

838 ~~[(B) presents the financial statements in accordance with generally accepted~~  
839 ~~accounting principles; and]~~

840 ~~[(C) audits financial statements from within the 12 months immediately preceding~~  
841 ~~the audit; and]~~

842 ~~[(ii) submit the audit report or report of the agreed upon procedure to the program~~  
843 ~~manager when the private school applies to receive scholarship funds;]~~

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

845 (i) a federal employer identification number;

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

847 (iii) a description of each program or service the provider proposes to offer a

848 scholarship student; and

849 (iv) any other information as required by the program manager or financial  
850 administrator;

851 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;

852 (c) provide a written disclosure to the parent of each prospective scholarship student,  
853 before the student is enrolled, of:

854 (i) the education services that the school will provide to the scholarship student,  
855 including the cost of the provided services;

856 (ii) tuition costs;

857 (iii) additional fees the school will require a parent to pay during the school year; [and]

858 (iv) the skill or grade level of the curriculum in which the prospective scholarship  
859 student will participate; [and]

860 (v) beginning the 2026-2027 school year, whether the school charges tuition and fees  
861 that equal or exceed the full scholarship amount and, if so, a clear statement that:

862 (A) no portion of the scholarship funds will be returned to the parent for other  
863 educational expenses;

864 (B) the parent is responsible for any costs beyond the scholarship amount; and

865 (C) if a scholarship student withdraws and the school's refund policy provides for  
866 a tuition refund, the school shall remit any refund directly to the program  
867 manager for deposit back into the student's scholarship account in accordance  
868 with the school's standard refund policies; and

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

874 (d) require the following individuals to submit to a nationwide, fingerprint-based  
875 criminal background check and ongoing monitoring, in accordance with Section  
876 53G-11-402, as a condition for employment or appointment, as authorized by the  
877 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:

878 (i) an employee who does not hold:

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

881 (B) if the private school is not physically located in Utah, a current educator

license in the state where the private school is physically located; and

(ii) a contract employee[.] ;

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

(i) clearly posted tuition costs;

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

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

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

(v) the school's physical address;

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

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

(2) A private school described in Subsection (1) is not eligible to receive scholarship funds if:

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

(b) the audit report described in Subsection (1)(a) contains a going concern explanatory paragraph; or

- (c) the report of the agreed upon procedures described in Subsection (1)(a) shows that the private school does not have adequate working capital to maintain operations for the first full year.

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

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

(i) a federal employer identification number;

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

(iii) a description of each program or service the provider proposes to offer a scholarship student; and

(iv) any other information as required by the program manager or financial administrator; [and]

916 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d[.];

917 (c) beginning the 2026-2027 school year, maintain and operate a functioning website  
918 that includes:

919 (i) clearly posted tuition costs;

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

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

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

923 (v) the school's physical address;

924 (d) provide a written disclosure to the parent of each prospective scholarship student,  
925 before the student is enrolled, that includes:

926 (i) tuition costs;

927 (ii) additional fees required during the school year; and

928 (iii) beginning the 2026-2027 school year, if the school charges tuition and fees that  
929 equal or exceed the full scholarship amount, a clear statement that no portion of  
930 the scholarship funds will be returned to the parent for other educational expenses;

931 (e) beginning the 2026-2027 school year, a statement that the school's published tuition  
932 costs, fees, and refund policies are identical for scholarship students and regularly  
933 enrolled students; and

934 (f) beginning the 2026-2027 school year, report to the program manager within five  
935 business days when a scholarship student withdraws from the school during the  
936 school year.

937 (4) A private school described in Subsection (3) is not eligible to receive scholarship funds  
938 if the private school requires a scholarship student to sign a contract waiving the  
939 student's rights to transfer to another qualifying provider during the school year.

940 (5) To be eligible to receive scholarship funds on behalf of a scholarship student as an  
941 eligible school, an LEA shall:

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

943 (i) a federal employer identification number;

944 (ii) the LEA's address and contact information; and

945 (iii) the amount to be charged under the program, in correlation with the LEA's  
946 course and activity fee schedules, and a description of a class, program, or service  
947 the LEA provides to a scholarship student;

948 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and

949 (c) ensure the provision of services to a scholarship student through which:

950 (i) the scholarship student does not enroll in the LEA; and  
951 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU  
952 funding related to the student's participation with the LEA;

953 (d) treat a scholarship student the same as the LEA would treat an enrolled student,  
954 including in:  
955 (i) participation allowances;  
956 (ii) audition rules;  
957 (iii) athletic team participation;  
958 (iv) extracurricular activities; and  
959 (v) co-curricular activities;

960 (e) not deny a scholarship student participation in any activity, team, or program simply  
961 because:  
962 (i) the student is a scholarship student; or  
963 (ii) of liability concerns specific to the student's scholarship status;

964 (f) establish a transparent and fair fee structure for scholarship expenses offered by the  
965 LEA, including a fee schedule that:  
966 (i) is based on actual costs of providing services;  
967 (ii) is consistent with fees charged to enrolled students;  
968 (iii) itemizes all charges and fees;  
969 (iv) explains the basis for each fee; and  
970 (v) is updated annually;

971 (g) provide the same liability coverage to scholarship students as provided to enrolled  
972 students; and

973 (h) in accordance with Subsection 53F-6-402(7), create and maintain a distinct identifier  
974 in the LEA's student information system that:  
975 (i) clearly identifies a scholarship student; and  
976 (ii) distinguishes the scholarship student from a student enrolled in the LEA.

977 (6) An LEA described in Subsection (5) is not eligible to receive scholarship funds if:  
978 (a) the LEA requires a public education system scholarship student to sign a contract  
979 waiving the student's rights to engage with another qualifying provider for a  
980 scholarship expense during the school year; or  
981 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship  
982 students under the program.

983 (7) Residential treatment facilities licensed by the state are not eligible to receive

984 scholarship funds.

985 (8) A private school or LEA intending to receive scholarship funds shall:

986 (a)(i) for a private school, submit an application to the program manager; or

987 (ii) for an LEA, submit a notice to the program manager containing the information

988 described in Subsection (5)(a); and

989 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or

990 scholarship student's parents in any manner except remittances or refunds processed

991 through the financial administrator to a scholarship account in accordance with this

992 part and procedures that the program manager establishes, and the payment schedule

993 described in Section 53F-6-411.

994 (9) The program manager shall:

995 (a) if the private school or LEA meets the eligibility requirements of this section,

996 recognize the private school or LEA as an eligible school and, for a private school,

997 approve the application; and

998 (b) make available to the public a list of eligible schools approved under this section.

999 (10) A private school approved under this section that changes ownership shall:

1000 (a) cease operation as an eligible school until:

1001 (i) the school submits a new application to the program manager; and

1002 (ii) the program manager approves the new application; and

1003 (b) demonstrate that the private school continues to meet the eligibility requirements of

1004 this section.

1005 (11) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1006 state board shall establish rules for an LEA to create and publish fee structures for

1007 scholarship students.

1008 Section 6. Section **53F-6-409** is amended to read:

1009 **53F-6-409 . Eligible service providers.**

1010 (1) To be an eligible service provider, a private program or service:

1011 (a) shall provide to the program manager and financial administrator:

1012 (i) a federal employer identification number;

1013 (ii) the provider's address and contact information;

1014 (iii) a description of each program or service the provider proposes to offer directly to

1015 a scholarship student; and

1016 (iv) subject to Subsection (2), any other information as required by the program

1017 manager;

1018 (b) shall comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and  
1019 (c) may not act as a consultant, clearing house, or intermediary that connects a  
1020 scholarship student with or otherwise facilitates the student's engagement with a  
1021 program or service that another entity provides.

1022 (2) The program manager shall adopt policies that maximize the number of eligible service  
1023 providers, including accepting new providers throughout the school year, while ensuring  
1024 education programs or services provided through the program meet student needs and  
1025 otherwise comply with this part.

1026 (3) A private program or service intending to receive scholarship funds shall:  
1027 (a) submit an application to the program manager;  
1028 (b) complete all required orientation programs established by the program manager  
1029 before receiving any scholarship funds and maintain a current orientation status  
1030 throughout participation in the program; and  
1031 (c) agree to not refund, rebate, or share scholarship funds with scholarship students or  
1032 scholarship students' parents in any manner except remittances or refunds processed  
1033 through the financial administrator to a scholarship account in accordance with this  
1034 part and procedures that the program manager establishes.

1035 (4) The program manager shall:  
1036 (a) if the private program or service meets the eligibility requirements of this section,  
1037 recognize the private program or service as an eligible service provider and approve a  
1038 private program or service's application to receive scholarship funds on behalf of a  
1039 scholarship student; and  
1040 (b) make available to the public a list of eligible service providers approved under this  
1041 section.

1042 (5) A private program or service approved under this section that changes ownership shall:  
1043 (a) cease operation as an eligible service provider until:  
1044 (i) the program or service submits a new application to the program manager; and  
1045 (ii) the program manager approves the new application; and  
1046 (b) demonstrate that the private program or service continues to meet the eligibility  
1047 requirements of this section.

1048 (6) The following are not eligible service providers:  
1049 (a) a parent of a home-based scholarship student or a home school student solely in  
1050 relation to the parent's child; or  
1051 (b) any other individual that does not meet the requirements described in this section.

1052 (7) Nothing prohibits an entity that provides education services under the Statewide Online  
1053 Education Program described in Chapter 4, Part 5, Statewide Online Education Program,  
1054 from operating as an eligible service provider under this part to provide education  
1055 services to scholarship students.

1056 (8) Beginning the 2026-2027 school year:

1057 (a) a fully online or virtual private school may participate in the program as an eligible  
1058 service provider rather than an eligible school under Section 53F-6-408;  
1059 (b) to be eligible as a service provider under this Subsection (8), an online or virtual  
1060 school shall:  
1061 (i) be registered to do business in the state;  
1062 (ii) meet all requirements for eligible service providers under Subsections (1) through  
1063 (3); and  
1064 (iii) clearly disclose to parents that the school operates primarily online and does not  
1065 require regular in-person attendance at a physical location; and  
1066 (c) an online or virtual school approved under this Subsection (8):  
1067 (i) is subject to the same requirements, oversight, and surety bond provisions as other  
1068 eligible service providers; and  
1069 (ii) may not represent itself as a private school eligible under Section 53F-6-408.

1070 **Section 7. Effective Date.**

1071 This bill takes effect:

1072 (1) except as provided in Subsection (2), May 6, 2026; or  
1073 (2) if approved by two-thirds of all members elected to each house:  
1074 (a) upon approval by the governor;  
1075 (b) without the governor's signature, the day following the constitutional time limit of  
1076 Utah Constitution, Article VII, Section 8; or  
1077 (c) in the case of a veto, the date of veto override.