

Candice B. Pierucci proposes the following substitute bill:

**Utah Fits All Scholarship Program Modifications**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Candice B. Pierucci**

Senate Sponsor: Kirk A. Cullimore

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**LONG TITLE**

**General Description:**

This bill modifies the Utah Fits All Scholarship Program.

**Highlighted Provisions:**

This bill:

- clarifies that eligible students must be under 19 years old as of September 1 of the scholarship year;
- establishes consumer protection standards for scholarship expenses and reimbursements;
- enhances program oversight and compliance mechanisms;
- improves customer service and marketplace operation standards; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**53F-6-401**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

**53F-6-402**, as last amended by Laws of Utah 2025, Chapter 25

**53F-6-405**, as last amended by Laws of Utah 2025, Chapter 25

**53F-6-406**, as last amended by Laws of Utah 2025, Chapter 25

**53F-6-408**, as last amended by Laws of Utah 2025, Chapter 25

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

Section 1. Section **53F-6-401** is amended to read:

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

29 As used in this part:

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

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

35 (a) establishing and maintaining program standards within a contract with a program  
36 manager or financial administrator;

37 (b) determining operational requirements and structures;

38 (c) procuring and managing contracts for program services and standards;

39 (d) ensuring program integrity through direct or contracted oversight;

40 (e) coordinating program functions and contracted services with a program manager or  
41 financial administrator; and

42 (f) maintaining appropriate separation between government oversight and independent  
43 program operations.

44 (3) "Contracted entity" means:

45 (a) an organization that:

46 (i) contracts with the state board under Section 53F-6-404 to perform duties and  
47 functions necessary for program administration and operations;

48 (ii) is not affiliated with any international organization;

49 (iii) does not harvest data for the purpose of reproducing or distributing the data to  
50 other entities;

51 (iv) is not involved in guiding or directing any curriculum or curriculum standards;  
52 and

53 (v) performs the specific duties and functions assigned in the contract with the state  
54 board.

55 (b) "Contracted entity" includes:

56 (i) the program manager, unless the program manager is the Department of  
57 Operations for any duration of time;

58 (ii) the financial administrator; and

59 (iii) any other entity contracted to perform program functions under Section  
60 53F-6-404.

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

62 (i) a qualifying provider;

- 63 (ii) an eligible school; or  
64 (iii) an eligible service provider.
- 65 (4)(a) "Contracted entity employee" means an individual working for an entity  
66 contracted under Section 53F-6-404 in a position in which the individual's salary,  
67 wages, pay, or compensation, including as a contractor, is paid from scholarship  
68 funds.
- 69 (b) "Contracted entity employee" does not include:  
70 (i) an individual who volunteers for a contracted entity or for a qualifying provider;  
71 (ii) an individual who works for a qualifying provider; or  
72 (iii) a qualifying provider.
- 73 (5) "Contracted entity officer" means:  
74 (a) a member of the board of a contracted entity; or  
75 (b) the chief administrative officer of a contracted entity.
- 76 (6) "Department of Operations" means the section of the state board that oversees financial  
77 operations, procurement operations, data and statistics operations, school land trust, and  
78 information technology operations for the state board.
- 79 (7)(a) "Educational supplements" means:  
80 (i) materials, tools, and equipment that:  
81 (A) are directly related to and necessary for subjects aligned with the core  
82 standards the state board establishes pursuant to Section 53E-4-202;  
83 (B) are used for specific learning objectives or competencies;  
84 (C) support structured learning activities or lessons; and  
85 (D) are consumable or non-reusable in nature;  
86 (ii) supplemental learning materials that:  
87 (A) directly support or enhance the delivery of instruction in core academic  
88 subjects;  
89 (B) are tied to specific educational goals or outcomes; and  
90 (C) are not primarily for entertainment or general enrichment purposes;  
91 (iii) arts and music education materials that:  
92 (A) align with state core standards; and  
93 (B) are used in structured arts or music instruction; and  
94 (iv) other educational materials that the program manager determines are:  
95 (A) necessary for meeting specific learning objectives;  
96 (B) appropriate for the student's age or grade level; and

- 97 (C) primarily educational rather than recreational in nature.
- 98 (b) "Educational supplements" does not include:
- 99 (i) entertainment materials;
- 100 (ii) recreational equipment;
- 101 (iii) food or nutritional items;
- 102 (iv) furniture or household items;
- 103 (v) general office supplies not specific to an educational activity; or
- 104 (vi) other items that do not have a clear, direct educational purpose aligned with
- 105 academic instruction.
- 106 (8) "Eligible student" means a student:
- 107 (a) who is eligible to participate in public school, in kindergarten, or grades 1 through 12;
- 108 (b) who has not reached 19 years old before September 1 of the school year;
- 109 ~~(b)~~ (c) who is a primary resident of the state, including a child of a military service
- 110 member, as that term is defined in Section 53H-11-202;
- 111 ~~(c)~~ (d) who, during the school year for which the student is applying for a scholarship
- 112 account:
- 113 (i) does not receive a scholarship under:
- 114 (A) the Carson Smith Scholarship Program established in Section 53F-4-302; or
- 115 (B) the Carson Smith Opportunity Scholarship Program established in Section
- 116 53E-7-402; and
- 117 (ii) before receiving the scholarship is not enrolled in:
- 118 (A) an LEA; or
- 119 (B) the Statewide Online Education Program to participate in a course with
- 120 funding provided under Chapter 4, Part 5, Statewide Online Education
- 121 Program, which does not include participation in a course by an entity as
- 122 described in Subsection 53F-6-409(7);
- 123 ~~(d)~~ (e) whose eligibility is not suspended or disqualified under Section 53F-6-401;
- 124 ~~(e)~~ (f) who completes, to maintain eligibility, the portfolio requirement described in
- 125 Subsection 53F-6-402(3)(d);
- 126 ~~(f)~~ (g) who provides verification of primary residence in Utah, including a parent's
- 127 utility bill, mortgage statement, lease agreement, or property tax records from the
- 128 current calendar year in which the eligible student is renewing, reapplying, or
- 129 applying for the scholarship for the first time; and
- 130 ~~(g)~~ (h) for out-of-state military families, who attests that the student is not enrolled in a

- 131 public school elsewhere while receiving the scholarship.
- 132 (9) "Federal poverty level" means the United States poverty level as defined by the most  
133 recently revised poverty income guidelines published by the United States Department  
134 of Health and Human Services in the Federal Register.
- 135 (10)(a) "Financial administrator" means an organization that:
- 136 (i) is not affiliated with any international organization;
- 137 (ii) does not harvest data for the purpose of reproducing or distributing the data to  
138 other entities;
- 139 (iii) is not involved in guiding or directing any curriculum or curriculum standards;  
140 and
- 141 (iv) contracts with the state board to administer scholarship payments in accordance  
142 with this part.
- 143 (b) "Financial administrator" may include an organization that serves as both program  
144 manager and financial administrator if the organization maintains appropriate  
145 separation of duties and meets all qualifications for both roles.
- 146 (11)(a) "Home-based scholarship student" means a student who:
- 147 (i) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 148 (ii) attests to being exited from enrollment in a public school to attend a home-based  
149 learning environment if the student was enrolled at any time in a public school;  
150 and
- 151 (iii) receives a benefit of scholarship funds.
- 152 (b) "Home-based scholarship student" does not mean a home-based student who does  
153 not receive a scholarship under the program.
- 154 (12) "Household income" means:
- 155 (a) the combined gross income of all parents residing in the same household as the  
156 eligible student;
- 157 (b) the gross income of a single parent who claims the student as a dependent; or
- 158 (c) the gross income of a parent who claims the student as a dependent under the terms  
159 of a joint custody agreement.
- 160 (13) "Parent" means:
- 161 (a) the same as that term is defined in Section 53E-1-102; and
- 162 (b) a foster parent who has initiated a process to adopt the foster child.
- 163 (14) "Primary residence" means the one location where an individual resides for the  
164 majority of the year.

- 165 (15)(a) "Private school" means a full-time, tuition-bearing educational institution where  
166 the student receives the majority of the student's academic instruction.
- 167 (b) "Private school" does not include an entity that distributes, rebates, or passes through  
168 to families any portion of enrollment-based funding received by an LEA.
- 169 (16)(a) "Program manager" means a contracted entity or entities that:
- 170 (i) perform program operational functions outlined in the procurement agreement  
171 described in Section 53F-6-404, including:
- 172 (A) processing scholarship applications and eligibility determinations;  
173 (B) maintaining scholarship account records;  
174 (C) coordinating with qualifying providers and the financial administrator; and  
175 (D) providing customer service to program participants;
- 176 (ii) in accordance with required program administration, implement established  
177 program standards and procedures; and
- 178 (iii) perform other operational duties as specified in the contract.
- 179 (b) "Program manager" may include an organization that serves as both program  
180 manager and financial administrator if the organization maintains appropriate  
181 separation of duties and meets all qualifications for both roles.
- 182 (17)(a) "Qualifying provider" means one of the following entities:
- 183 (i) an eligible school that the program manager approves in accordance with Section  
184 53F-6-408; or
- 185 (ii) an eligible service provider that the program manager approves in accordance  
186 with Section 53F-6-409.
- 187 (b) "Qualifying provider" does not include:
- 188 (i) a parent of a home-based scholarship student solely in relation to the parent's  
189 child; or
- 190 (ii) any other individual that does not meet the requirements described in Subsection  
191 (17)(a).
- 192 (18) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle,  
193 aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,  
194 sister-in-law, son-in-law, or daughter-in-law.
- 195 (19) "Scholarship account" means the account to which a program manager allocates funds  
196 for the payment of approved scholarship expenses in accordance with this part.
- 197 (20)(a) "Scholarship expense" means an expense described in Section 53F-6-402 that a  
198 parent or scholarship student incurs in the education of the scholarship student for a

- 199 service or goods that a qualifying provider provides, including:
- 200 (i) tuition and fees of a qualifying provider;
- 201 (ii) fees and instructional materials at a technical college;
- 202 (iii) tutoring services;
- 203 (iv) fees for after-school or summer education programs;
- 204 (v) textbooks, curricula, or other instructional materials, including any supplemental
- 205 materials or associated online instruction that a curriculum or a qualifying
- 206 provider recommends;
- 207 (vi) educational software and applications;
- 208 (vii) supplies or other equipment related to a scholarship student's educational needs;
- 209 (viii) computer hardware or other technological devices that are intended primarily
- 210 for a scholarship student's educational needs, not to exceed once every three years
- 211 for a scholarship student;
- 212 (ix) fees for the following examinations, or for a preparation course for the following
- 213 examinations, that the program manager approves:
- 214 (A) a national norm-referenced or standardized assessment described in Section
- 215 53F-6-410, an advanced placement examination, or another similar assessment;
- 216 (B) a state-recognized industry certification examination; and
- 217 (C) an examination related to college or university admission;
- 218 (x) educational services for students with disabilities from a licensed or accredited
- 219 practitioner or provider, including occupational, behavioral, physical, audiology,
- 220 or speech-language therapies;
- 221 (xi) contracted services that the program manager approves and that an LEA provider
- 222 offers, including individual classes, after-school tutoring services, transportation,
- 223 or fees or costs associated with participation in extracurricular activities;
- 224 (xii) ride fees or fares for a fee-for-service transportation provider to transport the
- 225 scholarship student to and from a qualifying provider, not to exceed \$750 in a
- 226 given school year;
- 227 (xiii) in accordance with Subsection (20)(c), expenses related to extracurricular
- 228 activities, field trips, educational supplements, physical education experiences,
- 229 and other educational experiences;
- 230 (xiv) coursework or an educational supplement for arts and music that aligns with
- 231 state core standards;
- 232 (xv) a musical instrument rental, excluding purchase; or

- 233 (xvi) any other expense for a good or service that:
- 234 (A) a parent or scholarship student incurs in the education of the scholarship
- 235 student; and
- 236 (B) the program manager approves.
- 237 (b) "Scholarship expense" does not include:
- 238 (i) chaperone expenses, except that a family with one or more scholarship students
- 239 receiving the scholarship under Subsection 53F-6-402(2)(c) may use scholarship
- 240 funds for one chaperone expense or pass per family, regardless of how many
- 241 scholarship students are in the family or household;
- 242 (ii) season tickets or subscriptions to entertainment venues;
- 243 (iii) ski passes or lift tickets;
- 244 (iv) access to recreational facilities unless for physical education of the student;
- 245 (v) playground equipment;
- 246 (vi) the purchase of any type of:
- 247 (A) furniture; or
- 248 (B) a musical instrument;
- 249 (vii) apparel; and
- 250 (viii) other non-educational expenses as the program manager determines.
- 251 (c)(i) A scholarship expense for extracurricular activities may not exceed 20% of the
- 252 total scholarship amount.
- 253 (ii) A scholarship expense for physical education requirements may not exceed an
- 254 additional 20% of the total scholarship amount from the amount described in
- 255 Subsection (20)(c)(i).
- 256 (iii) A scholarship expense for arts and music described in Subsection (20)(a)(xiv) is
- 257 not an extracurricular activity.
- 258 (21) "Scholarship funds" means:
- 259 (a) funds that the Legislature appropriates for the program; and
- 260 (b) interest that scholarship funds accrue.
- 261 (22)(a) "Scholarship student" means an eligible student, including a home-based
- 262 scholarship student, for whom the program manager establishes and maintains a
- 263 scholarship account in accordance with this part.
- 264 (b) "Scholarship student" does not include a home-based student who does not receive a
- 265 scholarship award under the program.
- 266 (23) "Utah Fits All Scholarship Program" or "program" means the scholarship program

267 established in Section 53F-6-402.

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

269 **53F-6-402 . Utah Fits All Scholarship Program -- Scholarship account**  
270 **application -- Scholarship expenses -- Program information.**

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

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

276 (b) The program manager shall:

277 (i) determine that a student meets the requirements to be an eligible student; and

278 (ii) subject to Subsection (2)(c), each year the student is an eligible student,  
279 coordinate with the financial administrator to maintain a scholarship account for  
280 the scholarship student to pay for the cost of one or more scholarship expenses  
281 that the student or student's parent incurs in the student's education.

282 (c) Each year, subject to this part and legislative appropriations, a scholarship student is  
283 eligible for no more than:

284 (i) for a private school student, \$8,000;

285 (ii) for a home-based scholarship student age 5-11 as of September 1 of the  
286 scholarship year, \$4,000; and

287 (iii) for a home-based scholarship student age 12-18 as of September 1 of the  
288 scholarship year, \$6,000.

289 (d) Unless otherwise authorized under Section 53F-6-411, scholarship funds to eligible  
290 scholarship students shall be distributed to the program manager and through the  
291 financial administrator in two equal payments:

292 (i) the first payment no later than July 31 of the scholarship year; and

293 (ii) the second payment no later than December 31 of the scholarship year.

294 (e) When a scholarship student exits the program during the school year:

295 (i) the program manager or the financial administrator shall:

296 (A) remove any remaining funds from the exited student's scholarship account; and

297 (B) make those funds available for new scholarship awards within the same year;

298 and

299 (ii) any new scholarship award made during the same year and using funds from an  
300 exited student's account shall be prorated as follows:

- 301 (A) if awarded during the second quarter of the school year, no more than 75% of  
302 the annual scholarship amount is allocated;
- 303 (B) if awarded during the third quarter of the school year, no more than 50% of  
304 the annual scholarship amount is allocated; and
- 305 (C) no new scholarship awards shall be made during the fourth quarter of the  
306 school year.

307 (3)(a) In accordance with required program administration, a program manager shall  
308 direct the financial administrator to establish a scholarship account on behalf of an  
309 eligible student who submits a timely application, unless the number of applications  
310 exceeds available scholarship funds for the school year.

311 (b) If the number of applications exceeds the available scholarship funds for a school  
312 year, the program manager shall select students on a random basis, except as  
313 provided in Subsection (6), and as long as the student meets the eligibility criteria.

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

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

319 (A) complete and deliver to the program manager a portfolio describing the  
320 scholarship student's educational opportunities and achievements under the  
321 program for the given year; or

322 (B) submit results from an assessment as described in Section 53F-6-410.

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

324 (A) no later than May 31; or

325 (B) in accordance with the assessment schedule submitted to and approved by the  
326 program manager.

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

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

334 (4)(a) An application for a scholarship account shall contain an acknowledgment by the

335 student's parent that the qualifying provider selected by the parent for the student's  
336 enrollment or engagement can provide education services for the student.

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

338 "I acknowledge that:

339 1: A qualifying provider may not provide the same level of disability services that are  
340 provided in a public school;

341 2: I will assume full financial responsibility for the education of my scholarship  
342 recipient if I agree to this scholarship account;

343 3: Agreeing to establish this scholarship account has the same effect as a parental refusal  
344 to consent to services as described in 34 C.F.R. Sec. 300.300, issued under the Individuals  
345 with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and

346 4: My child may return to a public school at any time, and I will notify the program  
347 manager within five business days if my child returns to a public school that is not a qualifying  
348 provider or if we have elected to take courses from the public portion of a qualifying  
349 provider."

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

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

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

359 (i) imply that a public school did not provide a free and appropriate public education  
360 for a student; or

361 (ii) constitute a waiver or admission by the state.

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

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

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

368 (ii) to an eligible student who is a sibling of an eligible student who:

- 369           (A) uses a scholarship account at the time the sibling applies for a scholarship  
 370           account; or
- 371           (B) used a scholarship account in the school year immediately preceding the  
 372           school year for which the sibling is applying for a scholarship account;
- 373           [(ii)] (iii) to an eligible student:
- 374           (A) who did not use a scholarship account in the previous school year;[~~and~~]
- 375           (B) with a family income at or below 300% of the federal poverty level; and
- 376           (C) was part of a household that received a partial scholarship award under  
 377           Subsection 53F-6-402(14)(c) and the sibling was not among the children who  
 378           received a scholarship in that partial award; and
- 379           [(iii) to an eligible student who is a sibling of an eligible student who:]
- 380           [(A) uses a scholarship account at the time the sibling applies for a scholarship  
 381           account; ~~or~~]
- 382           [(B) used a scholarship account in the school year immediately preceding the  
 383           school year for which the sibling is applying for a scholarship account; ~~and~~]
- 384           (iv) for any remaining scholarships, to an eligible student on a lottery basis.
- 385           (b) If the number of eligible students within any preference tier described in Subsection  
 386           (6)(a) exceeds available scholarship funds the program manager shall grant awards  
 387           on a lottery basis.
- 388           (c)(i) For income verification purposes, a parent of a scholarship student shall:
- 389           (A) provide written consent authorizing the State Tax Commission to disclose the  
 390           parent's state individual income tax return information to the program manager;  
 391           and
- 392           (B) submit the consent in a form prescribed by the State Tax Commission.
- 393           (ii) Upon receiving the consent described in Subsection (6)(c)(i), the State Tax  
 394           Commission shall provide state individual income tax information to the program  
 395           manager for income verification purposes regarding the parent within 10 business  
 396           days.
- 397           (d) For income verification purposes:
- 398           (i) the program manager shall require documentation of household income, not  
 399           individual income;
- 400           (ii) if the individual income tax is a business income filing, require:
- 401           (A) the most recently filed business tax returns;
- 402           (B) year-to-date profit and loss statements; and

- 403 (C) documentation of the owner's draw or distributions; and
- 404 (iii) for households awaiting completion of tax filings for the year immediately
- 405 preceding the current year, the program manager shall accept the following
- 406 documentation for conditional approval and only until such a time as the current
- 407 tax year returns, year-to-date profit and loss statements, or documentation of
- 408 owner's draw or distributions are provided for the current tax year:
- 409 (A) the most recent W-2s;
- 410 (B) a current pay stub showing year-to-date earnings; and
- 411 (C) an employer verification letter.
- 412 (7)(a) Subject to Subsections (7)(b) through (e), a parent may use a scholarship account
- 413 to pay for a scholarship expense from a qualifying provider that a parent or
- 414 scholarship student incurs in the education of the scholarship student.
- 415 (b) A scholarship student or the scholarship student's parent may not use a scholarship
- 416 account for an expense that the student or parent does not incur in the education of
- 417 the scholarship student, including:
- 418 (i) a rehabilitation program that is not primarily designed for an educational purpose;
- 419 or
- 420 (ii) a travel expense other than a transportation expense described in Section
- 421 53F-6-401.
- 422 (c) The program manager or financial administrator may not:
- 423 (i) approve a scholarship expense for a service that a qualifying provider provides
- 424 unless the program manager determines that the scholarship student or the
- 425 scholarship student's parent incurred the scholarship expense in the education of
- 426 the scholarship student; or
- 427 (ii) reimburse an expense for a service or good that a provider that is not a qualifying
- 428 provider provides unless:
- 429 (A) the parent or scholarship student submits a receipt that shows the cost and
- 430 type of service or good and the name of provider;
- 431 (B) the expense would have qualified as a scholarship expense if a qualifying
- 432 provider provided the good or service;
- 433 (C) the provider of the good or service is not the parent of the student who is a
- 434 home-based scholarship student solely in relation to the parent's child;
- 435 (D) the program manager determines that the parent or scholarship student
- 436 incurred the expense in the education of the scholarship student; and

437 (E) the program manager or financial administrator determines that the parent or  
438 scholarship student incurred the expense when the student was not enrolled in a  
439 public school[.].

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

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

449 (8) Beginning the 2026-2027 school year, for private schools that choose not to become  
450 approved eligible schools under Section 53F-6-408, parents may seek up to monthly  
451 tuition reimbursement in accordance with the requirements and verification process  
452 established in Subsection (15).

453 ~~[(8)]~~ (9) Notwithstanding any other provision of law, funds that the program manager or  
454 financial administrator disburses from the Utah Fits All Scholarship Program Restricted  
455 Account created in Section 53F-6-411 under this part to a scholarship account on behalf  
456 of a scholarship student do not constitute state taxable income to the parent of the  
457 scholarship student.

458 ~~[(9)]~~ (10) The program manager shall prepare and disseminate information on the program  
459 to a parent applying for a scholarship account on behalf of a student, including the  
460 information that the program manager provides in accordance with Section 53F-6-405.

461 ~~[(10)]~~ (11) As frequently as necessary to maintain the information, the state board shall  
462 provide information on the state board's website, including:

463 (a) scholarship account information;

464 (b) information on the program manager or financial administrator, including the  
465 program manager's or financial administrator's contact information; and

466 (c) an overview of the program.

467 ~~[(11)]~~ (12) In accordance with required program administration, the program manager shall:

468 (a) in alignment with deadlines specified in Subsection 53F-6-405(1)(c), establish and  
469 communicate to an eligible student a deadline by which the eligible student must  
470 accept or deny the scholarship offer; and

471 (b) communicate to an eligible student that failure to respond by the deadline described  
472 in Subsection ~~[(11)(a)]~~ (12)(a) shall result in forfeiture of the scholarship offer.

473 ~~[(12)]~~ (13) In accordance with Subsection 53F-6-403(7), the program manager shall:

- 474 (a) verify student eligibility status before removing any student from scholarship  
475 eligibility;
- 476 (b) establish protocols for reviewing disputed eligibility determinations;
- 477 (c) implement a process for immediate reinstatement of eligibility when errors are  
478 identified;
- 479 (d) maintain detailed records of all eligibility removals and reinstatements; and
- 480 (e) provide regular reports to the state board regarding eligibility status changes of a  
481 scholarship student.

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

- 484 (a) process applications from the same household together;
- 485 (b) approve or deny all children in the household as a unit based on the household's  
486 priority tier; and
- 487 (c) if insufficient scholarship funds remain to award scholarships to all children in a  
488 household applying as a unit:
- 489 (i) notify the household of the number of scholarships available;
- 490 (ii) allow the household to choose to:
- 491 (A) accept scholarships for the number of children for which funds are available,  
492 with the household determining which children receive scholarships; or
- 493 (B) decline the partial award and remain on the waitlist for a future opportunity  
494 when sufficient funds become available to serve all children in the household;
- 495 (iii) provide the household at least five business days to make the decision described  
496 in Subsection (14)(c)(ii);
- 497 (iv) process the household's decision in accordance with the deadlines established in  
498 Subsection 53F-6-402(12); and
- 499 (v) if the household accepts a partial award, place any remaining children from the  
500 household on the waitlist in accordance with the children's original priority tier.

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

- 502 (a) a parent may pay tuition directly to a private school that meets the definition in  
503 Section 53F-6-401 but has not been approved as an eligible school under Section  
504 53F-6-408;

- 505 (b) the parent may seek monthly reimbursement from the scholarship account for tuition  
506 paid to such a school by submitting:
- 507 (i) a receipt or invoice from the private school showing the amount paid, student  
508 name, and services provided;
- 509 (ii) evidence that the school meets the definition of a private school in Section  
510 53F-6-401, including at least four of the following:
- 511 (A) proof of incorporation or registration as a business entity with the Utah  
512 Division of Corporations;
- 513 (B) a published tuition schedule posted on a public-facing website;
- 514 (C) documentation showing enrollment of at least 17 students;
- 515 (D) evidence of operation in a dedicated non-residential facility; or
- 516 (E) proof of at least one year of continuous operation as an educational institution;
- 517 (iii) proof of the student's enrollment in the private school, which may include the  
518 following:
- 519 (A) an enrollment agreement or contract;
- 520 (B) an acceptance letter from the school;
- 521 (C) written verification from the school on school letterhead or via school email;
- 522 (D) a receipt or invoice showing the student's name and tuition charges; or
- 523 (E) a copy of the record demonstrating participation as determined by the school;  
524 and
- 525 (iv) for monthly reimbursement requests after the initial reimbursement, proof of the  
526 student's continued enrollment in the private school, which may include  
527 documentation of tuition payments for the current period.
- 528 (c) The program manager shall process reimbursement requests under this subsection  
529 within 10 business days of receiving complete documentation.
- 530 (d) Reimbursements under this subsection are subject to the annual scholarship limits in  
531 Subsection (2)(c).
- 532 (e) A private school receiving tuition payments under this subsection is not required to:
- 533 (i) submit an application to become an eligible school;
- 534 (ii) meet the requirements of Section 53F-6-408; or
- 535 (iii) enter into any agreement with the program manager or financial administrator.
- 536 Section 3. Section **53F-6-405** is amended to read:
- 537 **53F-6-405 . Program manager duties -- Audit -- Prohibitions.**
- 538 (1) The program manager shall:

- 539 (a) administer the program, including:
- 540 (i) maintaining an application website that includes information on enrollment,  
541 relevant application dates, and dates for notification of acceptance;
- 542 (ii) reviewing applications from and determining if a person is:
- 543 (A) an eligible school under Section 53F-6-408; or  
544 (B) an eligible service provider under Section 53F-6-409;
- 545 (iii) establishing an application process that:
- 546 (A) opens March 1 of each year for existing scholarship students;  
547 (B) opens April 1 of each year for new scholarship students;  
548 (C) closes May 1 of each year;  
549 (D) aligns with the acceptance deadline established under Subsection  
550 53F-6-402(11) that shall be prior to July 1 of each year; and  
551 (E) provides an eligible student with a decision regarding the eligible student's  
552 application within 30 days of the application deadline specified in this  
553 Subsection (1)(a);
- 554 (iv) reviewing and granting or denying applications for a scholarship account;
- 555 (v) determining the eligibility of scholarship expenses, including establishing  
556 necessary policies and procedures;
- 557 (vi) approving qualifying providers in accordance with Section 53F-6-403;[~~and~~]
- 558 (vii) maintaining a list of approved qualifying providers; and
- 559 (viii) coordinating with the Department of Operations on policy interpretations,  
560 compliance issues, and customer service standards;
- 561 (b) direct the financial administrator to:
- 562 (i) provide an online portal for the parent of a scholarship student to access the  
563 scholarship student's account;
- 564 (ii) facilitate payments to a qualifying provider from the online portal;
- 565 (iii) ensure that scholarship funds in a scholarship account are readily available to a  
566 scholarship student within five business days after receipt of funds from the state  
567 board;
- 568 (iv) process scholarship payments in accordance with the payment schedule  
569 established in Section 53F-6-411, unless otherwise authorized;
- 570 (v) in accordance with program administration when needed, develop and implement  
571 a commercially viable, cost-effective, and parent-friendly system that:  
572 (A) processes scholarship payments;

- 573 (B) maximizes payment flexibility;
- 574 (C) allows scholarship students and scholarship student's parents to publicly rate,  
575 review, and share information about qualifying providers; and
- 576 (D) provides the program manager with continuous, real-time, view-only access to  
577 all scholarship account transactions and balances, payment processing status,  
578 provider payment history, reimbursement tracking, and account reconciliation  
579 data;
- 580 (vi) upon receiving notification under Subsection (1)(c):
- 581 (A) obtain reimbursement of scholarship funds from a qualifying provider that  
582 provides the services in which a scholarship student is no longer enrolled or  
583 with which the scholarship student is no longer engaged; and
- 584 (B) expend all revenue from interest on scholarship funds or investments on  
585 scholarship expenses; and
- 586 (vii) implement accounting procedures to track partial payments and remaining  
587 balances;
- 588 (c) require a parent to notify the program manager if the parent's scholarship student is  
589 no longer enrolled in or engaging a service:
- 590 (i) for which the scholarship student receives scholarship funds; and  
591 (ii) that is provided to the scholarship student for an entire school year;
- 592 (d) each time the program manager makes an administrative decision that is adverse to a  
593 scholarship student or the scholarship student's parent, inform the scholarship student  
594 and the scholarship student's parent of the opportunity and process to appeal an  
595 administrative decision of the program manager in accordance with the process  
596 described in Section 53F-6-417;
- 597 (e) maintain a protected internal waitlist of all eligible students who have applied to the  
598 program and are not yet scholarship students, including any student who removed the  
599 student's application from the waitlist;
- 600 (f) provide aggregate data regarding the number of scholarship students and the number  
601 of eligible students on the waitlist described in Subsection (1)(e);
- 602 (g) contract for annual and random audits on scholarship accounts conducted:
- 603 (i) by a certified public accountant who is independent from:
- 604 (A) the program manager; and  
605 (B) the financial administrator's accounts and records pertaining to scholarship  
606 funds; and

- 607 (ii) in accordance with generally accepted auditing standards;
- 608 (h) require the financial administrator to demonstrate financial accountability through  
609 annual reporting requirements described in Section 53F-6-405.5;
- 610 (i) develop and implement an annual orientation for qualifying providers;
- 611 (j) administer the appeals process described in Section 53F-6-417;
- 612 (k) in accordance with Subsection 53F-6-411(4), manage scholarship rollovers;
- 613 (l) track and ensure compliance of allowed scholarship expenses;[-and]
- 614 (m) comply with enhanced accountability measures, including independent audits and  
615 public disclosure of third-party contracts and fees related to the administration of the  
616 program[-] ; and
- 617 (n) process parent reimbursement requests within 10 business days after the program  
618 manager approves the expense and direct the financial administrator to process  
619 approved reimbursements within this time frame.
- 620 (2) The program manager shall:
- 621 (a) require the financial administrator to submit monthly financial reports including:
- 622 (i) a statement of financial position;
- 623 (ii) a statement of activities;
- 624 (iii) account reconciliation statements;
- 625 (iv) detailed transaction reports; and
- 626 (v) exception reports highlighting any unusual activity; and
- 627 (b) oversee the financial administrator's compliance with requirements regarding:
- 628 (i) except for a reimbursement authorized under this part, the use of scholarship funds  
629 from the online portal directly to a qualifying provider to pay for scholarship  
630 expenses without the availability of withdrawal or other direct access to  
631 scholarship funds by an individual; and
- 632 (ii) system compliance with industry standards for data privacy and cybersecurity,  
633 including ensuring compliance with the Family Educational Rights and Privacy  
634 Act, 34 C.F.R. Part 99.
- 635 (3) In advance of the program manager accepting applications in accordance with Section  
636 53F-6-402 and as regularly as information develops, the program manager shall provide  
637 information regarding the program by publishing a program handbook online for  
638 scholarship applicants, scholarship students, parents, service providers seeking to  
639 become qualifying providers, and qualifying providers, that includes information  
640 regarding:

- 641 (a) the policies and processes of the program;
- 642 (b) approved scholarship expenses and qualifying providers;
- 643 (c) the responsibilities of parents regarding the program and scholarship funds;
- 644 (d) the duties of each contracted entity; and
- 645 (e) the opportunity and process to appeal an administrative decision of the program
- 646 manager in accordance with the process described in Section 53F-6-417.
- 647 (4) To ensure the fiscal security and compliance of the program, the program manager shall:
- 648 (a) prohibit any person from handling, managing, or processing scholarship funds, if, the
- 649 person poses a risk to the appropriate use of scholarship funds, as determined by
- 650 background checks the program manager conducted in accordance with Section
- 651 53F-6-407;
- 652 (b) establish procedures to ensure a fair process to:
- 653 (i) suspend scholarship student's eligibility for the program in the event of the
- 654 scholarship student's or scholarship student's parent's:
- 655 (A) intentional or substantial misuse of scholarship funds; or
- 656 (B) violation of this part or the terms of the program; and
- 657 (ii) if the program manager or financial administrator obtains evidence of fraudulent
- 658 use of scholarship funds, refer the case to the attorney general for collection or
- 659 criminal investigation; and
- 660 (iii) ensure that a scholarship student whose eligibility is suspended or disqualified
- 661 under this Subsection (4)(b) or Subsection (4)(c) based on the actions of the
- 662 student's parent regains eligibility if the student is placed with a different parent or
- 663 otherwise no longer resides with the parent related to the suspension or
- 664 disqualification; and
- 665 (c) notify the financial administrator, scholarship student, and scholarship student's
- 666 parent in writing:
- 667 (i) of the suspension described in Subsection (4)(b)(i);
- 668 (ii) that no further transactions, disbursements, or reimbursements are allowed;
- 669 (iii) that the scholarship student or scholarship student's parent may take corrective
- 670 action within 10 business days of the day on which the program manager provides
- 671 the notification; and
- 672 (iv) that without taking the corrective action within the time period described in
- 673 Subsection (4)(c)(iii), the program manager may disqualify the student's eligibility.
- 674 (5)(a) A program manager may not direct the financial administrator to:

- 675 (i) disburse scholarship funds to a qualifying provider or allow a qualifying provider  
676 to use scholarship funds if:
- 677 (A) the program manager determines that the qualifying provider intentionally or  
678 substantially misrepresented information on overpayment;
- 679 (B) the qualifying provider fails to refund an overpayment in a timely manner; or  
680 (C) the qualifying provider routinely fails to provide scholarship students with  
681 promised educational services; or
- 682 (ii) reimburse with scholarship funds an individual for the purchase of a good or  
683 service if the program manager determines that:
- 684 (A) the scholarship student or the scholarship student's parent requesting  
685 reimbursement intentionally or substantially misrepresented the cost or  
686 educational purpose of the good or service; or  
687 (B) the relevant scholarship student was not the exclusive user of the good or  
688 service.
- 689 (b) A program manager shall notify a scholarship student if the program manager:
- 690 (i) stops disbursement of the scholarship student's scholarship funds to a qualifying  
691 provider under Subsection (5)(a)(i); or  
692 (ii) refuses reimbursement under Subsection (5)(a)(ii).
- 693 (6)(a) At any time, a scholarship student may change the qualifying provider to which  
694 the scholarship student's scholarship account makes distributions.
- 695 (b) If, during the school year, a scholarship student changes the student's enrollment in  
696 or engagement with a qualifying provider to another qualifying provider, the program  
697 manager may direct the financial administrator to prorate scholarship funds between  
698 the qualifying providers based on the time the scholarship student received the goods  
699 or services or was enrolled.
- 700 (7) A program manager may not subvert the enrollment preferences required under Section  
701 53F-6-402 or other provisions of this part to establish a scholarship account on behalf of  
702 a relative of a contracted entity employee or contracted employee officer.
- 703 (8) In regards to customer service needs related to the program, the program manager shall:
- 704 (a) provide customer service regarding:
- 705 (i) program eligibility determinations;
- 706 (ii) application status;
- 707 (iii) qualifying provider approvals;
- 708 (iv) scholarship expense eligibility;

- 709 (v) program policies and requirements;
- 710 (vi) appeals and grievances;
- 711 (vii) accessibility for disabled individuals; and
- 712 (viii) general program information;
- 713 (b) ensure the financial administrator provides customer service regarding:
- 714 (i) scholarship account access;
- 715 (ii) payment processing status;
- 716 (iii) technical support for the payment portal;
- 717 (iv) account balance inquiries;
- 718 (v) transaction history; and
- 719 (vi) reimbursement status;
- 720 (c) establish customer service standards that the program manager and the financial
- 721 administrator must meet;
- 722 (d) require the financial administrator to:
- 723 (i) maintain adequate customer service staffing;
- 724 (ii) meet specified response time requirements; and
- 725 (iii) track and report on customer service metrics; [~~and~~]
- 726 (e) coordinate with the financial administrator to ensure seamless referral of inquiries
- 727 between contracted entities[-] ;
- 728 (f) maintain call center capacity adequate to serve current program participation levels,
- 729 including:
- 730 (i) sufficient staffing to handle call volume during standard and peak enrollment
- 731 periods;
- 732 (ii) scalability plans to increase customer service capacity as program enrollment
- 733 grows; and
- 734 (iii) regular capacity assessments to ensure staffing and infrastructure meet program
- 735 demands; and
- 736 (g) continue improvement of customer service based on parent feedback.
- 737 (9) Contracted entities may not charge processing fees to an eligible student or pass on
- 738 third-party fees related to the use or management of scholarship funds.
- 739 (10) The program manager shall establish and maintain a pre-approval process for
- 740 scholarship expenses that:
- 741 (a) allows parents to submit expense requests for review before incurring the expense;
- 742 (b) provides a response within seven business days indicating whether:

- 743           (i) the expense is approved as an allowable scholarship expense;  
 744           (ii) the expense requires additional information or documentation; or  
 745           (iii) the expense is not an allowable scholarship expense, with a clear explanation of  
 746                 the reason for denial;
- 747           (c) is accessible through the online portal, email, and telephone; and  
 748           (d) maintains documentation of all pre-approval requests and decisions.
- 749   (11) If the program manager operates a marketplace for educational products or services:
- 750           (a) prices shall reflect fair market value;  
 751           (b) parents may purchase substantially similar items elsewhere and seek reimbursement;  
 752           (c) the program manager may not require exclusive marketplace purchases;  
 753           (d) the program manager may not resell used or returned goods through the marketplace;  
 754                 and  
 755           (e) nothing in this subsection prohibits parents from purchasing used or resale  
 756                 educational materials, supplies, or equipment from third parties and seeking  
 757                 reimbursement through the scholarship account reimbursement process in accordance  
 758                 with this part.
- 759   (12)(a) Beginning with the 2026-2027 school year, the Office of the Legislative Auditor  
 760           General shall conduct an annual audit of the Utah Fits All Scholarship Program,  
 761           including:
- 762                 (i) program compliance with this part;  
 763                 (ii) financial integrity and proper use of scholarship funds;  
 764                 (iii) effectiveness of program oversight and accountability measures; and  
 765                 (iv) the program manager's and financial administrator's performance.
- 766           (b) The Office of the Legislative Auditor General shall report audit findings to the  
 767                 Education Interim Committee.
- 768           (c) The state board and all contracted entities shall cooperate fully with the Office of the  
 769                 Legislative Auditor General and provide timely access to all requested records and  
 770                 information.
- 771           Section 4. Section **53F-6-406** is amended to read:
- 772                 **53F-6-406 . Qualifying provider regulatory autonomy -- Home school autonomy**  
 773                 **-- Student records -- Scholarship student status.**
- 774           (1) Nothing in this part:
- 775                 (a) except as expressly described in this part, grants additional authority to any state  
 776                 agency or LEA to regulate or control:

- 777 (i) a private school, qualifying provider, or home school;  
778 (ii) students receiving education from a private school, qualifying provider, or home  
779 school;
- 780 (b) applies to or otherwise affects the freedom of choice of a home school student,  
781 including the curriculum, resources, developmental planning, or any other aspect of  
782 the home school student's education; or
- 783 (c) except as expressly provided in Section 53F-6-408 regarding LEA providers,  
784 expands the regulatory authority of the state, a state office holder, or an LEA to  
785 impose any additional regulation of a qualifying provider beyond any regulation  
786 necessary to administer this part.
- 787 (2) A qualifying provider:
- 788 (a) has a right to maximum freedom from unlawful governmental control in providing  
789 for the educational needs of a scholarship student who attends or engages with the  
790 qualifying provider; and
- 791 (b) is not an agent of the state by virtue of the provider's acceptance of payment from a  
792 scholarship account in accordance with this part.
- 793 (3) Except as provided in Section 53F-6-403 regarding qualifying providers, Section  
794 53F-6-408 regarding eligible schools, or Section 53F-6-409 regarding eligible service  
795 providers, a program manager may not require a qualifying provider to alter the  
796 qualifying provider's creed, practices, admissions policies, hiring practices, or curricula  
797 in order to accept scholarship funds.
- 798 (4) An LEA or a school in an LEA in which a scholarship student was previously enrolled  
799 shall provide to the scholarship student's parent a copy of all school records relating to  
800 the student that the LEA possesses within 30 days after the day on which the LEA or  
801 school receives the parent's request for the student's records, subject to:
- 802 (a) Title 53E, Chapter 9, Student Privacy and Data Protection; and  
803 (b) Family Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g.
- 805 (5) By virtue of a scholarship student's involvement in the program and unless otherwise  
806 expressly provided in statute, a scholarship student is not:
- 807 (a) enrolled in the public education system; or  
808 (b) otherwise subject to statute, administrative rules, or other state regulations as if the  
809 student was enrolled in the public education system.
- 810 (6)(a) A scholarship student may participate in public school athletics and  
811 extracurricular activities in the same manner as a home school student or private

812 school student under Section 53G-6-702.

813 (b) An LEA may not:

814 (i) deny a scholarship student the opportunity to participate in athletics or

815 extracurricular activities based solely on the student's scholarship status; or

816 (ii) impose requirements on scholarship students for athletic or extracurricular

817 participation that are more restrictive than those imposed on home school students

818 or private school students.

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

820 **53F-6-408 . Eligible schools.**

821 (1) To be eligible to receive scholarship funds on behalf of a scholarship student as an  
822 eligible school, a private school with 150 or more enrolled students shall:

823 ~~[(a)(i) contract with an independent licensed certified public accountant to conduct~~  
824 ~~an agreed upon procedures engagement as the state board adopts, or obtain an~~  
825 ~~audit and report that:]~~

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

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

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

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

834 (a) submit to the program manager verification that the private school has obtained:

835 (i) an agreed upon procedures engagement conducted by an independent licensed  
836 certified public accountant that addresses financial solvency and working capital  
837 adequacy; or

838 (ii) an audit conducted by an independent licensed certified public accountant in  
839 accordance with generally accepted auditing standards that presents financial  
840 statements in accordance with generally accepted accounting principles;

841 (b) provide to the program manager and financial administrator:

842 (i) a federal employer identification number;

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

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

- 846 (iv) any other information as required by the program manager or financial  
847 administrator;
- 848 [~~(b)~~] (c) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d;  
849 [~~(e)~~] (d) provide a written disclosure to the parent of each prospective scholarship  
850 student, before the student is enrolled, of:
- 851 (i) the education services that the school will provide to the scholarship student,  
852 including the cost of the provided services;
- 853 (ii) tuition costs;
- 854 (iii) additional fees the school will require a parent to pay during the school year; [~~and~~]  
855 (iv) the skill or grade level of the curriculum in which the prospective scholarship  
856 student will participate; [~~and~~]
- 857 (v) beginning the 2026-2027 school year, a clear statement that if a scholarship  
858 student withdraws and the school's refund policy provides for a tuition refund, the  
859 school shall remit any refund directly to the program manager for deposit back  
860 into the student's scholarship account in accordance with the school's standard  
861 refund policies; and
- 862 (vi) beginning the 2026-2027 school year, a statement that the school's published  
863 tuition costs, fees, and refund policies are identical for scholarship students and  
864 regularly enrolled students, and that scholarship students will not be charged  
865 different amounts or subject to different refund terms than other students enrolled  
866 in the same programs;
- 867 [~~(d)~~] (e) require the following individuals to submit to a nationwide, fingerprint-based  
868 criminal background check and ongoing monitoring, in accordance with Section  
869 53G-11-402, as a condition for employment or appointment, as authorized by the  
870 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:
- 871 (i) an employee who does not hold:
- 872 (A) a current Utah educator license issued by the state board under Title 53E,  
873 Chapter 6, Education Professional Licensure; or
- 874 (B) if the private school is not physically located in Utah, a current educator  
875 license in the state where the private school is physically located; and
- 876 (ii) a contract employee[-];
- 877 (f) beginning the 2026-2027 school year, maintain and operate a functioning website  
878 that includes:
- 879 (i) clearly posted tuition costs;

- 880           (ii) all additional fees required during the school year;
- 881           (iii) the school's refund and reimbursement policies in an easily accessible location;
- 882           (iv) contact information for the school's administration; and
- 883           (v) the school's physical address;
- 884           (g) beginning the 2026-2027 school year, report to the program manager within five
- 885           business days when a scholarship student withdraws from the school during the
- 886           school year; and
- 887           (h) beginning the 2026-2027 school year, ensure that all tuition charges, fees, and refund
- 888           policies applied to scholarship students are identical to those applied to regularly
- 889           enrolled students in the same programs or grade levels.
- 890           (2)(a) The program manager shall ensure that:
- 891           (i) the verification required under Subsection (1)(a)(i):
- 892           (A) is from an audit or agreed upon procedures engagement completed within the
- 893           12 months immediately preceding the private school's application to receive
- 894           scholarship funds;
- 895           (B) confirms that the audit or agreed upon procedures engagement found the
- 896           private school to be financially solvent with adequate working capital to
- 897           maintain operations; and
- 898           (C) does not include the underlying audit report or detailed financial information.
- 899           (b) The program manager:
- 900           (i) may only verify that the required audit or agreed upon procedures engagement
- 901           was completed and found general financial solvency;
- 902           (ii) may not conduct, commission, or be involved in the audit or agreed upon
- 903           procedures engagement; and
- 904           (iii) may not review detailed financial records of the private school beyond the
- 905           verification described in Subsection (2)(a)(i).
- 906           ~~(2)~~ (3) A private school described in Subsection (1) is not eligible to receive scholarship
- 907           funds if:
- 908           (a) the private school requires a scholarship student to sign a contract waiving the
- 909           scholarship student's right to transfer to another qualifying provider during the school
- 910           year;
- 911           (b) the verification required under Subsection (1)(a) indicates that the audit report
- 912           contains a going concern explanatory paragraph; or
- 913           (c) the verification required under Subsection (1)(a) indicates that the report of the

- 914 agreed upon procedures shows that the private school does not have adequate  
915 working capital to maintain operations for the first full year.
- 916 [~~(b) the audit report described in Subsection (1)(a) contains a going concern explanatory~~  
917 ~~paragraph; or]~~
- 918 [~~(e) the report of the agreed upon procedures described in Subsection (1)(a) shows that~~  
919 ~~the private school does not have adequate working capital to maintain operations for~~  
920 ~~the first full year.]~~
- 921 [(3)] (4) To be eligible to receive scholarship funds on behalf of a scholarship student as an  
922 eligible school, a private school with fewer than 150 enrolled students shall:
- 923 (a) provide to the program manager and financial administrator:
- 924 (i) a federal employer identification number;
- 925 (ii) the provider's address and contact information;
- 926 (iii) a description of each program or service the provider proposes to offer a  
927 scholarship student; and
- 928 (iv) any other information as required by the program manager or financial  
929 administrator; [~~and]~~
- 930 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d[-];
- 931 (c) beginning the 2026-2027 school year, maintain and operate a functioning website  
932 that includes:
- 933 (i) clearly posted tuition costs;
- 934 (ii) all additional fees required during the school year;
- 935 (iii) the school's refund and reimbursement policies in an easily accessible location;
- 936 (iv) contact information for the school's administration; and
- 937 (v) the school's address;
- 938 (d) provide a written disclosure to the parent of each prospective scholarship student,  
939 before the student is enrolled, that includes:
- 940 (i) tuition costs;
- 941 (ii) additional fees required during the school year; and
- 942 (iii) a clear statement that if a scholarship student withdraws and the school's refund  
943 policy provides for a tuition refund, the school shall remit any refund directly to  
944 the program manager for deposit back into the student's scholarship account in  
945 accordance with the school's standard refund policies;
- 946 (e) beginning the 2026-2027 school year, a statement that the school's published tuition  
947 costs, fees, and refund policies are identical for scholarship students and regularly

- 948 enrolled students; and
- 949 (f) beginning the 2026-2027 school year, report to the program manager within five
- 950 business days when a scholarship student withdraws from the school during the
- 951 school year.
- 952 [~~(4)~~] (5) A private school described in Subsection [~~(3)~~] (4) is not eligible to receive
- 953 scholarship funds if the private school requires a scholarship student to sign a contract
- 954 waiving the student's rights to transfer to another qualifying provider during the school
- 955 year.
- 956 [~~(5)~~] (6) To be eligible to receive scholarship funds on behalf of a scholarship student as an
- 957 eligible school, an LEA shall:
- 958 (a) provide to the program manager and financial administrator:
- 959 (i) a federal employer identification number;
- 960 (ii) the LEA's address and contact information; and
- 961 (iii) the amount to be charged under the program, in correlation with the LEA's
- 962 course and activity fee schedules, and a description of a class, program, or service
- 963 the LEA provides to a scholarship student;
- 964 (b) comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and
- 965 (c) ensure the provision of services to a scholarship student through which:
- 966 (i) the scholarship student does not enroll in the LEA; and
- 967 (ii) in accordance with Subsection 53F-2-302(2), the LEA does not receive WPU
- 968 funding related to the student's participation with the LEA;
- 969 (d) treat a scholarship student the same as the LEA would treat an enrolled student,
- 970 including in:
- 971 (i) participation allowances;
- 972 (ii) audition rules;
- 973 (iii) athletic team participation;
- 974 (iv) extracurricular activities; and
- 975 (v) co-curricular activities;
- 976 (e) not deny a scholarship student participation in any activity, team, or program simply
- 977 because:
- 978 (i) the student is a scholarship student; or
- 979 (ii) of liability concerns specific to the student's scholarship status;
- 980 (f) establish a transparent and fair fee structure for scholarship expenses offered by the
- 981 LEA, including a fee schedule that:

- 982 (i) is based on actual costs of providing services;
- 983 (ii) is consistent with fees charged to enrolled students;
- 984 (iii) itemizes all charges and fees;
- 985 (iv) explains the basis for each fee; and
- 986 (v) is updated annually;
- 987 (g) provide the same liability coverage to scholarship students as provided to enrolled
- 988 students; and
- 989 (h) in accordance with Subsection 53F-6-402(7), create and maintain a distinct identifier
- 990 in the LEA's student information system that:
- 991 (i) clearly identifies a scholarship student; and
- 992 (ii) distinguishes the scholarship student from a student enrolled in the LEA.
- 993 ~~[(6)]~~ (7) An LEA described in Subsection ~~[(5)]~~ (6) is not eligible to receive scholarship funds
- 994 if:
- 995 (a) the LEA requires a public education system scholarship student to sign a contract
- 996 waiving the student's rights to engage with another qualifying provider for a
- 997 scholarship expense during the school year; or
- 998 (b) the LEA refuses to offer services that do not require LEA enrollment to scholarship
- 999 students under the program.
- 1000 ~~[(7)]~~ (8) Residential treatment facilities licensed by the state are not eligible to receive
- 1001 scholarship funds.
- 1002 ~~[(8)]~~ (9) A private school or LEA intending to receive scholarship funds shall:
- 1003 (a)(i) for a private school, submit an application to the program manager; or
- 1004 (ii) for an LEA, submit a notice to the program manager containing the information
- 1005 described in Subsection ~~[(5)(a)]~~ (6)(a); and
- 1006 (b) agree to not refund, rebate, or share scholarship funds with scholarship students or
- 1007 scholarship student's parents in any manner except remittances or refunds processed
- 1008 through the financial administrator to a scholarship account in accordance with this
- 1009 part and procedures that the program manager establishes, and the payment schedule
- 1010 described in Section 53F-6-411.
- 1011 ~~[(9)]~~ (10) The program manager shall:
- 1012 (a) if the private school or LEA meets the eligibility requirements of this section,
- 1013 recognize the private school or LEA as an eligible school and, for a private school,
- 1014 approve the application; and
- 1015 (b) make available to the public a list of eligible schools approved under this section.

- 1016     ~~[(10)]~~ (11) A private school approved under this section that changes ownership shall:
- 1017             (a) cease operation as an eligible school until:
- 1018                 (i) the school submits a new application to the program manager; and
- 1019                 (ii) the program manager approves the new application; and
- 1020             (b) demonstrate that the private school continues to meet the eligibility requirements of
- 1021             this section.

1022     ~~[(11)]~~ (12) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

1023             the state board shall establish rules for an LEA to create and publish fee structures for

1024             scholarship students.

1025             Section 6. **Effective Date.**

1026     This bill takes effect:

- 1027     (1) except as provided in Subsection (2), May 6, 2026; or
- 1028     (2) if approved by two-thirds of all members elected to each house:
- 1029             (a) upon approval by the governor;
- 1030             (b) without the governor's signature, the day following the constitutional time limit of
- 1031                 Utah Constitution, Article VII, Section 8; or
- 1032             (c) in the case of a veto, the date of veto override.