

1 **Public Education Economic Stabilization Restricted Account Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill requires the appropriation of a certain amount of funds in the Public Education
5 Economic Stabilization Restricted Account to a new trust fund for public education.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ establishes the Public Education Economic Stabilization Trust Fund (trust fund) that the
9 state treasurer manages;
- 10 ▶ provides the duties and authority of the state treasurer regarding the trust fund;
- 11 ▶ requires the appropriation of a certain amount of funds in the Public Education Economic
12 Stabilization Restricted Account to the trust fund before other statutory one-time
13 appropriations;
- 14 ▶ corrects the application of a certain minimum appropriation; 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-9-204**, as last amended by Laws of Utah 2025, Chapters 413, 433

23 ENACTS:

24 **53F-9-207**, Utah Code Annotated 1953

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

26 Section 1. Section **53F-9-204** is amended to read:

27 **53F-9-204 . Public Education Economic Stabilization Restricted Account.**

28 (1) There is created within the Uniform School Fund a restricted account known as the
29 **53F-9-204 . Public Education Economic Stabilization Restricted Account.**
30

- 31 "Public Education Economic Stabilization Restricted Account."
32 (2)(a) Except as provided in Subsection (2)(b), the account shall be funded from the
33 following revenue sources:
- 34 (i) 15% of the difference between, as determined by the Office of the Legislative
35 Fiscal Analyst:
 - 36 (A) the estimated amount of ongoing Income Tax Fund and Uniform School Fund
37 revenue available for the Legislature to appropriate for the next fiscal year; and
 - 38 (B) the amount of ongoing appropriations from the Income Tax Fund and Uniform
39 School Fund in the current fiscal year; and
 - 40 (ii) other appropriations as the Legislature may designate.
- 41 (b) If the appropriation described in Subsection (2)(a) would cause the ongoing
42 appropriations to the account to exceed 11% of Uniform School Fund appropriations
43 described in Section 53F-9-201.1 for the same fiscal year, the Legislature shall
44 appropriate only those funds necessary to ensure that the ongoing appropriations to
45 the account equal 11% of Uniform School Fund appropriations for that fiscal year.
- 46 (3) Subject to the availability of ongoing appropriations to the account, in accordance with
47 Utah Constitution, Article X, Section 5, Subsection (4), the ongoing appropriation to the
48 account shall be used to fund:
- 49 (a) except for a year described in Subsection (3)(b) or (c)[~~5~~]:
 - 50 (i) for a fiscal year beginning on or after July 1, 2027, an appropriation of
51 \$350,000,000 to the Public Education Economic Stabilization Trust Fund
52 established in Section 53F-9-207; and
 - 53 (ii) using remaining funds after the use described in Subsection (3)(a)(i), for the
54 one-time appropriations to the public education system, including at least
55 \$65,000,000 to the Catalyst Center Grant Program described in Section
56 53E-3-507.1;
 - 57 (b) the Minimum School Program for a year in which Income Tax Fund revenue and
58 Uniform School Fund revenue are insufficient to fund:
 - 59 (i) ongoing appropriations to the public education system; and
 - 60 (ii) enrollment growth and inflation estimates, as defined in Section 53F-9-201.1; and
 - 61 (c) the minimum basic local amount as defined in Section 53F-2-301 for a year in which
62 the minimum basic tax rate, as defined in Section 53F-2-301, is insufficient to
63 generate the amount described in Subsection 53F-2-301(2)(a).
- 64 (4)(a) The account shall earn interest.

- 65 (b) All interest earned on account money shall be deposited in the account.
- 66 (5) On or before December 31, 2023, and every three years thereafter, the Office of the
67 Legislative Fiscal Analyst shall:
- 68 (a) review the percentages described in Subsections (2)(a)(i) and (2)(b); and
- 69 (b) recommend to the Executive Appropriations Committee any changes based on the
70 review described in Subsection (5)(a).
- 71 (6) In preparing budget bills for a given fiscal year, the Executive Appropriations
72 Committee shall make the one-time appropriations described in Subsection (3)(a) by
73 appropriating[~~at least the lesser of 10% of the total amount of the one-time~~
74 ~~appropriations to~~]:
- 75 (a) at least the lesser of 10% of the total amount of the one-time appropriations or the
76 cost of providing 32 paid professional hours for teachers in accordance with Section
77 53F-7-203;
- 78 (b) the amount to make the distribution required under Section 53F-2-527;
- 79 (c) the cost of the Stipends for Future Educators Grant Program described in Section
80 53F-5-223; and
- 81 (d) the cost of the Rural School Sports Facilities Grant Program described in Section
82 53F-10-303.
- 83 (7) No later than October 15 of each year, the state board shall report to the Office of the
84 Legislative Fiscal Analyst an estimated cost for each of the one-time appropriations
85 described in Subsection (6).

86 Section 2. Section **53F-9-207** is enacted to read:

87 **53F-9-207 . Public Education Economic Stabilization Trust Fund.**

- 88 (1) As used in this section:
- 89 (a) "Income" means the revenues received by the state treasurer from investments of the
90 trust fund principal.
- 91 (b) "Trust fund" means the Public Education Economic Stabilization Trust Fund that this
92 section creates.
- 93 (2) This section creates the Public Education Economic Stabilization Trust Fund.
- 94 (3) The trust fund consists of:
- 95 (a) appropriations from the Public Education Economic Stabilization Restricted Account
96 described in Subsection 53F-9-204(3);
- 97 (b) other appropriations the Legislature makes to the trust fund;
- 98 (c) income; and

99 (d) revenue received from other sources.

100 (4) The Division of Finance shall account for the receipt and expenditures of trust fund
101 money.

102 (5)(a) The state treasurer shall invest the assets of the trust fund, as a prudent investor
103 would, with the primary goal of providing for the stability, income, and growth of the
104 principal.

105 (b) Nothing in this section requires a specific outcome in investing.

106 (c) The state treasurer may deduct any administrative costs incurred in managing trust
107 fund assets from earnings before distributing the trust fund assets.

108 (d)(i) The state treasurer may employ professional asset managers to assist in the
109 investment of assets of the trust fund.

110 (ii) The treasurer may only provide compensation to asset managers from earnings
111 generated by the trust fund's investments.

112 (e)(i) The trust fund shall earn interest.

113 (ii) The state treasurer shall deposit all interest or other income earned from
114 investment of the trust fund back into the trust fund.

115 (6) The Legislature may make appropriations related to public education from the trust fund
116 or otherwise provide authorized public education uses of money in the trust fund.

117 Section 3. **Effective Date.**

118 This bill takes effect on July 1, 2026.