

School District Funding Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Emily Buss

House Sponsor: Tracy J. Miller

LONG TITLE

General Description:

This bill creates the High Growth District Grant Program.

Highlighted Provisions:

This bill:

- defines terms;
- creates the High Growth District Grant Program;
- establishes eligibility criteria for school districts experiencing significant enrollment growth;
- provides special provisions for newly created or reorganized school districts;
- provides a distribution formula for grant funds; and
- authorizes the State Board of Education to establish an application process by rule.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

53F-10-401, Utah Code Annotated 1953

53F-10-402, Utah Code Annotated 1953

53F-10-403, Utah Code Annotated 1953

53F-10-404, Utah Code Annotated 1953

53F-10-405, Utah Code Annotated 1953

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

Section 1. Section **53F-10-401** is enacted to read:

Part 4. High Growth District Grant Program

53F-10-401 . General provisions -- Definitions.

31 As used in this part:

32 (1) "ADM" means average daily membership, as defined in Section 53F-2-102, excluding a
33 pupil who is fully enrolled in an online education program for at least 180 days.

34 (2) "Average annual net enrollment increase" means the sum of a school district's net
35 enrollment increase for each year during the three school years immediately preceding
36 the fiscal year for which the school district applies for a grant divided by three.

37 (3) "Eligible district" means a school district that meets the requirements described in
38 Section 53F-10-403.

39 (4) "High growth district" means a school district whose average annual net enrollment
40 increase represents at least 10% of the state's total net enrollment increase as calculated
41 by the state board under Section 53F-10-403.

42 (5) "Net enrollment increase" means:

43 (a) for a fiscal year, the difference, if positive, between a school district's ADM for the
44 fiscal year and the school district's ADM for the previous fiscal year; or
45 (b) for a projected year, the difference, if positive, between a school district's projected
46 ADM for the fiscal year and the school district's ADM for the most recent fiscal year
47 for which data is available.

48 (6) "Program" means the High Growth District Grant Program created in Section
49 53F-10-402.

50 Section 2. Section **53F-10-402** is enacted to read:

51 **53F-10-402 . High Growth District Grant Program created -- Purpose -- State**

52 **board duties.**

53 (1) The High Growth District Grant Program is created to provide funding to high growth
54 districts for:

55 (a) land acquisition for future school sites; and

56 (b) transportation infrastructure expansion to accommodate rapid enrollment growth.

57 (2) The state board shall:

58 (a) evaluate applications for program grants from eligible districts;

59 (b) determine which eligible districts qualify as high growth districts in accordance with
60 Section 53F-10-403;

61 (c) distribute program funds to eligible districts in accordance with Section 53F-10-404;

62 (d) establish an application process, timeline, and reporting requirements by rule in
63 accordance with Section 53F-10-405; and

64 (e) upon request, report to the Public Education Appropriations Subcommittee regarding:

- (i) the number of applications received;
- (ii) the amount of program funds distributed;
- (iii) how eligible districts use program funds; and
- (iv) enrollment growth trends in eligible districts.

Section 3. Section **53F-10-403** is enacted to read:

53F-10-403 . Eligibility requirements -- High growth district determination.

(1) A school district is an eligible district if:

(a) the school district has a positive average annual net enrollment increase; and

(b) the state board determines that the school district is a high growth district under Subsection (2).

(2)(a) The state board shall determine which eligible districts qualify as high growth districts by calculating each school district's share of the state's total net enrollment increase.

(b) In making a determination under Subsection (2)(a), the state board shall:

(i) calculate the sum of average annual net enrollment increases for all school districts that have a positive average annual net enrollment increase, excluding school districts with stable or declining enrollment;

(ii) for each school district described in Subsection (2)(b)(i), calculate the ratio of the school district's average annual net enrollment increase to the sum calculated under Subsection (2)(b)(i); and

(iii) designate as a high growth district each school district whose ratio calculated under Subsection (2)(b)(ii) is equal to or greater than 0.10.

(3) In calculating net enrollment increases under this section, the state board:

(a) shall use ADM data from the three most recent fiscal years for which data is available; and

(b) may include projected enrollment data for the upcoming fiscal year if:

(i) the school district provides documentation supporting the projection; and

(ii) the state board determines the projection is reasonable based on:

(A) historical enrollment trends;

(B) residential construction permits issued within the school district's boundaries;

(C) population growth data from the Utah Population Committee created in Section 63C-20-103; and

(D) other demographic data the state board considers relevant.

(4) The state board shall recalculate high growth district designations annually.

99 (5)(a) For purposes of calculating net enrollment increase under this section, if a school
100 district is created through a split, consolidation, or reorganization of one or more
101 existing school districts:

102 (i) for the fiscal year in which the new or reorganized school district is created, the
103 state board shall calculate the new or reorganized school district's net enrollment
104 increase by:

105 (A) using as the baseline ADM the number of students from the geographic
106 territory served by the new or reorganized school district who were enrolled in
107 the predecessor district or districts for the fiscal year immediately preceding
108 the creation or reorganization; and

109 (B) comparing the baseline ADM under Subsection (5)(a)(i)(A) to the new or
110 reorganized school district's actual ADM for the fiscal year;

111 (ii) for the two fiscal years immediately following the fiscal year described in
112 Subsection (5)(a)(i), the state board shall calculate the new or reorganized school
113 district's average annual net enrollment increase using:

114 (A) the calculation described in Subsection (5)(a)(i) for the fiscal year in which
115 the district was created or reorganized;

116 (B) actual year-over-year ADM changes for each subsequent fiscal year; and

117 (C) projected enrollment data under Subsection (3)(b) if applicable; and

118 (iii) beginning with the third fiscal year after the creation or reorganization, the state
119 board shall calculate the school district's average annual net enrollment increase
120 using the standard methodology described in Subsection (2).

121 (b) For purposes of calculating net enrollment increase under this section, if a school
122 district loses territory or students due to a split, consolidation, or reorganization:

123 (i) for the fiscal year in which the split, consolidation, or reorganization occurs, the
124 state board shall calculate the remaining school district's net enrollment increase
125 by:

126 (A) using as the baseline ADM the remaining school district's ADM for the fiscal
127 year immediately preceding the split, consolidation, or reorganization, adjusted
128 to exclude the ADM of students who were transferred to another district; and

129 (B) comparing the adjusted baseline ADM under Subsection (5)(b)(i)(A) to the
130 remaining school district's actual ADM for the fiscal year;

131 (ii) for the two fiscal years immediately following the fiscal year described in
132 Subsection (5)(b)(i), the state board shall calculate the remaining school district's

133 average annual net enrollment increase using:
134 (A) the calculation described in Subsection (5)(b)(i) for the fiscal year in which
135 the split, consolidation, or reorganization occurred;
136 (B) actual year-over-year ADM changes for each subsequent fiscal year; and
137 (C) projected enrollment data under Subsection (3)(b) if applicable; and
138 (iii) beginning with the third fiscal year after the split, consolidation, or
139 reorganization, the state board shall calculate the school district's average annual
140 net enrollment increase using the standard methodology described in Subsection
141 (2).

142 (c) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah
143 Administrative Rulemaking Act, to establish:
144 (i) procedures for implementing the calculations described in Subsections (5)(a) and
145 (5)(b);
146 (ii) documentation requirements for school districts affected by a split, consolidation,
147 or reorganization;
148 (iii) methods for allocating historical enrollment growth among successor districts
149 when necessary to implement this subsection; and
150 (iv) methods for determining the baseline ADM for each new or reorganized district's
151 geographic territory when historical data for the specific territory is not readily
152 available.

153 Section 4. Section **53F-10-404** is enacted to read:

154 **53F-10-404 . Grant distribution formula -- Allowable uses.**

155 (1) Subject to available appropriations, the state board shall annually allocate program
156 funds to eligible districts in accordance with this section.
157 (2) The state board shall distribute to each eligible district an amount equal to the product
158 of:
159 (a) the quotient of:
160 (i) the eligible district's average annual net enrollment increase; divided by
161 (ii) the sum of the average annual net enrollment increases for all eligible districts;
162 and
163 (b) the total amount appropriated for the program for the fiscal year.
164 (3) An eligible district that receives a grant under this section may use the grant funds only
165 for:
166 (a) purchasing land for future school sites, including:

167 (i) conducting feasibility studies;
168 (ii) obtaining appraisals;
169 (iii) paying closing costs; and
170 (iv) conducting environmental assessments;
171 (b) expanding transportation infrastructure to serve new or expanded school facilities,
172 including:
173 (i) purchasing school buses;
174 (ii) constructing or expanding bus barns or maintenance facilities; and
175 (iii) implementing transportation management systems; or
176 (c) paying for costs directly related to the activities described in Subsection (3)(a) or
177 (3)(b).

178 (4) An eligible district may not use grant funds received under this section for:

179 (a) school construction or renovation costs; or
180 (b) ongoing operational expenses unrelated to land acquisition or transportation
181 expansion.

182 Section 5. Section **53F-10-405** is enacted to read:

183 **53F-10-405 . Application process and administration.**

184 (1) The state board shall make rules, in accordance with Title 63G, Chapter 3, Utah
185 Administrative Rulemaking Act, to establish:
186 (a) an application process for school districts to apply for program grants, including:
187 (i) the application format and required documentation;
188 (ii) the timeline for submitting applications;
189 (iii) the criteria the state board uses to evaluate applications;
190 (iv) a process for school districts to demonstrate projected enrollment growth under
191 Subsection 53F-10-403(3)(b); and
192 (v) a process for prioritizing applications if appropriated funds are insufficient to
193 fully fund all eligible districts;
194 (b) reporting requirements for eligible districts that receive program grants, including:
195 (i) how the eligible district uses grant funds;
196 (ii) progress toward completing projects funded by grant funds;
197 (iii) updates on enrollment growth; and
198 (iv) the impact of grant funds on the eligible district's ability to accommodate
199 enrollment growth; and
200 (c) procedures for monitoring eligible districts' compliance with the requirements of this

201 part and rules made under this section.

202 (2) An eligible district shall submit reports required under rules made under Subsection

203 (1)(b):

204 (a) annually while the eligible district is using grant funds received under this part; and

205 (b) within one year after the eligible district completes a project funded by grant funds.

206 (3) If an eligible district uses grant funds in a manner that does not comply with Section

207 53F-10-404, the state board may:

208 (a) require the eligible district to return the improperly used funds to the state board; and

209 (b) make the eligible district ineligible for future grants under this part for up to three
210 years.

211 **Section 6. Effective Date.**

212 This bill takes effect on May 6, 2026.