

Calvin R. Musselman proposes the following substitute bill:

Outcome-based Investment Grant Pilot Framework

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

House Sponsor: Karen M. Peterson

LONG TITLE

General Description:

This bill establishes the Outcome-based Investment Grant Pilot Framework to provide a process for administering certain grant funding for projects using measurable outcomes.

Highlighted Provisions:

This bill:

- defines terms;
- establishes a pilot framework for a grant administering agency to award grant funding for projects using measurable outcomes;
- requires the Office of the Legislative Auditor General to establish evaluation standards and requirements;
- requires grant applicants to submit a pre-analysis plan identifying expected outcomes and metrics;
- requires the use of independent evaluators to measure project outcomes;
- authorizes review of evaluation findings by the Office of the Legislative Auditor General;
- requires certain reporting from the administering agency to a relevant appropriations subcommittee;
- includes appropriations for use under the Outcome-based Investment Grant Pilot Framework; and
- establishes a sunset date for the pilot framework.

Money Appropriated in this Bill:

This bill appropriates \$9,000,000 in operating and capital budgets for fiscal year 2027, including:

- \$4,500,000 from Income Tax Fund; and
- \$4,500,000 from various sources as detailed in this bill.

Other Special Clauses:

29 This bill provides a special effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **63I-1-263**, as last amended by Laws of Utah 2025, Chapters 391, 512

33 ENACTS:

34 **63G-6b-402**, Utah Code Annotated 1953

35

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

37 Section 1. Section **63G-6b-402** is enacted to read:

38 **63G-6b-402 . Outcome-based Investment Grant Pilot Framework.**

39 (1) As used in this section:

40 (a) "Independent evaluator" means an individual or entity that:

41 (i) is not involved in implementing a project receiving grant funding under the pilot
42 framework; and

43 (ii) meets the evaluation standards that the Office of the Legislative Auditor General
44 establishes under this section.

45 (b) "Evaluation framework" means the evaluation framework the Office of the
46 Legislative Auditor General establishes in accordance with Subsection (5).

47 (c) "Pilot framework" means the Outcome-based Investment Grant Pilot Framework that
48 this section establishes.

49 (d) "Pre-analysis plan" means a written plan that:

50 (i) a grant applicant submits during the grant application process and before
51 beginning project implementation;

52 (ii) identifies the specific outcomes the applicant intends the proposed project to
53 achieve;

54 (iii) specifies the metrics for measuring each intended outcome of the proposed
55 project;

56 (iv) describes the evaluation methodology that will apply to the proposed project,
57 including any comparison to control data or counterfactual approach; and

58 (v) complies with the standards that the Office of the Legislative Auditor General
59 establishes under this section.

60 (2)(a) This section creates a pilot framework governing the administration of certain
61 competitive grant programs using measurable outcomes known as the
62 Outcome-based Investment Grant Pilot Framework.

- 63 (b) This section only applies to a grant that receives funding from an appropriation in
64 which the Legislature expressly declares the intent for the administering agency to
65 administer the grant under the pilot framework.
- 66 (3) Upon an expression of legislative intent for an agency to administer a grant under the
67 pilot framework in a legislative appropriation, the administering agency shall:
- 68 (a) administer a grant program in accordance with the pilot framework; and
69 (b) only award grants under the pilot framework for projects that comply with the
70 evaluation framework described in Subsection (5).
- 71 (4)(a) An applicant for a grant under the pilot framework shall submit an application:
- 72 (i) in a form that the administering agency prescribes; and
73 (ii) that includes a pre-analysis plan that:
- 74 (A) identifies the intended outcomes of the proposed project; and
75 (B) provides a significant measurement and evaluation framework to demonstrate
76 the effect of the project on the intended outcomes.
- 77 (b) The administering agency may not award a grant unless the administering agency
78 determines that the applicants pre-analysis plan satisfies the evaluation framework
79 requirements described in Subsection (5).
- 80 (5) The Office of the Legislative Auditor General shall establish:
- 81 (a) an evaluation framework applicable to the pilot framework that includes standards
82 governing:
- 83 (i) acceptable outcome measures;
84 (ii) required elements of a pre-analysis plan;
85 (iii) acceptable evaluation methodologies; and
86 (iv) minimum data collection and reporting requirements; and
- 87 (b) standards governing independent evaluators, including:
- 88 (i) independence and conflict-of-interest requirements;
89 (ii) minimum qualifications and expertise;
90 (iii) acceptable evaluation designs and levels of rigor; and
91 (iv) reporting and transparency requirements.
- 92 (6)(a) A recipient of a grant under this section shall participate in an independent
93 evaluation of the funded project.
- 94 (b) An independent evaluator shall:
- 95 (i) measure and assess the extent to which the project caused the outcomes identified
96 in the pre-analysis plan;

- 97 (ii) compare actual outcomes to the projected outcomes in the pre-analysis plan using
98 the metrics described in the pre-analysis plan; and
99 (iii) provide a written report of the independent evaluation to the administering
100 agency.
- 101 (c) Unless the Legislature indicates otherwise in a specific appropriation for a grant
102 under the framework, the administering agency may use up to 5% of funds the
103 Legislature appropriates to procure the independent evaluation described in this
104 Subsection (6).
- 105 (d) The Office of the Legislative Auditor General may:
- 106 (i) review the findings of an independent evaluation described in this Subsection (6);
107 and
108 (ii) assess the methodological rigor, validity, and reliability of the evaluation.
- 109 (7) The administering agency shall annually report to the agency's relevant legislative
110 appropriations subcommittee regarding the administration of the grant under the pilot
111 framework, including:
- 112 (a) a summary of the number and type of grants the administering agency awards under
113 the pilot framework;
114 (b) the progress of grant projects;
115 (c) available outcome data;
116 (d) impact data; and
117 (e) the results of any independent evaluations of a grant project.
- 118 (8) Nothing in this section requires the administering agency to terminate funding solely
119 based on evaluation results.

120 Section 2. Section **63I-1-263** is amended to read:

121 **63I-1-263 . Repeal dates: Titles 63A to 63O.**

- 122 (1) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1,
123 2028.
- 124 (2) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed
125 December 31, 2026.
- 126 (3) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.
- 127 (4) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.
- 128 (5) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.
- 129 (6) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is repealed July
130 1, 2028.

- 131 (7) Section 63G-6a-805, Purchase from community rehabilitation programs, is repealed
132 July 1, 2026.
- 133 (8) Section 63G-6b-402, Outcome-based Investment Grant Pilot Framework, is repealed
134 July 1, 2031.
- 135 [~~(8)~~] (9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
136 2028.
- 137 [~~(9)~~] (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July
138 1, 2029.
- 139 [~~(10)~~] (11) Subsection 63J-1-602.2(16), related to the Communication Habits to reduce
140 Adolescent Threats (CHAT) Pilot Program, is repealed July 1, 2029.
- 141 [~~(11)~~] (12) Subsection 63J-1-602.2(26), regarding the Utah Seismic Safety Commission, is
142 repealed January 1, 2025.
- 143 [~~(12)~~] (13) Section 63L-11-204, Canyon resource management plan, is repealed July 1, 2027.
- 144 [~~(13)~~] (14) Title 63L, Chapter 11, Part 4, Resource Development Coordinating Committee,
145 is repealed July 1, 2027.
- 146 [~~(14)~~] (15) Title 63M, Chapter 7, Part 7, Domestic Violence Offender Treatment Board, is
147 repealed July 1, 2027.
- 148 [~~(15)~~] (16) Section 63M-7-902, Creation -- Membership -- Terms -- Vacancies -- Expenses,
149 is repealed July 1, 2029.
- 150 [~~(16)~~] (17) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2026.
- 151 [~~(17)~~] (18) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.
- 152 [~~(18)~~] (19) Subsection 63N-2-511(1)(b), regarding the Board of Tourism Development, is
153 repealed July 1, 2030.
- 154 [~~(19)~~] (20) Section 63N-2-512, Hotel Impact Mitigation Fund, is repealed July 1, 2028.
- 155 [~~(20)~~] (21) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is
156 repealed July 1, 2027.
- 157 [~~(21)~~] (22) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant Program, is
158 repealed July 1, 2028.
- 159 [~~(22)~~] (23) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed
160 July 1, 2028.
- 161 [~~(23)~~] (24) Section 63N-4-804, Rural Opportunity Advisory Committee, is repealed July 1,
162 2027.
- 163 [~~(24)~~] (25) Subsection 63N-4-805(5)(b), regarding the Rural Employment Expansion
164 Program, is repealed July 1, 2028.

165 [~~(25)~~] (26) Subsection 63N-7-101(1), regarding the Board of Tourism Development, is
 166 repealed July 1, 2030.

167 [~~(26)~~] (27) Subsection 63N-7-102(3)(c), regarding a requirement for the Utah Office of
 168 Tourism to receive approval from the Board of Tourism Development, is repealed July
 169 1, 2030.

170 [~~(27)~~] (28) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed July 1,
 171 2030.

172 Section 3. **FY 2027 Appropriations.**

173 The following sums of money are appropriated for the fiscal year beginning July 1,
 174 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
 175 fiscal year 2027.

176 Subsection 3(a). **Operating and Capital Budgets**

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

180 ITEM 1 To Utah Board of Higher Education - Administration

181 From Income Tax Fund, One-time 4,500,000

182 Schedule of Programs:

183 Pass Through Funding 4,500,000

184 The Legislature intends that the Utah Board of
 185 Higher Education:

186 (1) use the funds appropriated in this item to
 187 administer, under the Outcome-based Investment Grant
 188 Pilot Framework described in Section 63G-6b-402, a
 189 grant designed to improve upward mobility through the
 190 use of a digital data inventory to measure improvement
 191 in an individual's educational or economic outcomes,
 192 including:

193 (a) educational attainment or credential
 194 completion;

195 (b) persistence, transfer, or completion within
 196 postsecondary education

197 (c) employment, job placement, or labor market
 198 attachment;

199 (d) earnings, wage growth, or income stability; or
 200 (e) other indicators of economic opportunity or
 201 advancement; and
 202 (2) provide the reports described in Subsection
 203 63G-6b-402 to the Higher Education Appropriations
 204 Subcommittee.

205 ITEM 2 To State Board of Education - Contracted Initiatives and Grants
 206 From Public Education Economic Stabilization
 207 Restricted Account, One-time

4,500,000

208 Schedule of Programs:

209 Contracts and Grants 4,500,000

210 The Legislature intends that the State Board of
 211 Education:

212 (1) use the funds appropriated in this item to
 213 administer a grant under the Outcome-based Investment
 214 Grant Pilot Framework described in Section 63G-6b-402
 215 for up to two local education agencies to create a
 216 comprehensive school improvement pilot program for
 217 one or more chronically under-performing schools that:
 218 (a) uses evidence-based practices, modeled on
 219 the practices the Houston Independent School District
 220 implemented in underperforming campuses beginning in
 221 June 1, 2023, to:

- 222 (i) hold teachers and principals to clear and
- 223 measurable performance expectations tied to
- 224 improvement in student outcomes; and
- 225 (ii) recruit and retain high-quality educators and
- 226 school leaders through enhanced compensation for
- 227 teachers and principals who meet the performance
- 228 expectations, intensive coaching, extended planning time,
- 229 centralized instructional supports, targeted professional
- 230 development aligned to school-specific needs;
- 231 (b) may provide funding to:
- 232 (i) create clearly defined performance standards,

233 frequent assessment of student learning, and transparent
234 evaluation systems tied to demonstrated instructional
235 effectiveness and student outcomes;
236 (ii) support rigorous accountability structures for
237 educators and students; and
238 (iii) support program design, staffing,
239 compensation adjustments instructional coaching,
240 curriculum alignment, extended planning time, and
241 evaluation; and
242 (c) does not support general operations or
243 otherwise supplant or displace existing funding; and
244 (2) provide the reports described in Subsection
245 63G-6b-402 to the Public Education Appropriations
246 Subcommittee.

247 **Section 4. Effective Date.**

248 This bill takes effect on July 1, 2026.