

Prepared For: Rep. Candice Pierucci

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## H.B. 467, 4<sup>th</sup> Substitute: Utah Fits All Scholarship Program Amendments

This bill establishes new provisions for the Utah Fits All Scholarship (UFA) program. UFA provides enrolled K-12 students with money for educational expenses, like private school tuition, tutoring services, and curricular materials. Students attending private school receive \$8,000 per year; home-based students receive between \$4,000 and \$6,000 yearly, based on age.

### Key Changes

- Allows parents to seek tuition reimbursement if they send children to a private school that is not an approved UFA provider. Parents must provide proof the schools meet certain criteria, including proof the school meets the statutory definition.
- Updates requirements for private schools that are UFA providers.
- Creates a new process for reviewing multiple applications from the same household.
- Creates additional requirements for the program manager: (1) Create an expense pre-approval process, (2) process reimbursements within 10 days, and (3) maintain adequate call center capacity, among others.
- Allows UFA students to participate in extracurricular activities at LEAs.

## Summary of Changes

### Private School Requirements

#### Definition:

- **Updates the definition of private school** to exclude entities created to distribute or pass through funding from an LEA to families.
- If a parent sends a scholarship student to a school that is not a qualifying provider and seeks reimbursement, the parent must provide at least four of the following.
  - Proof the school is a registered business entity in Utah.
  - A published tuition schedule on the school's website.
  - Documentation the school has at least 17 students.
  - Evidence of operation in a non-residential facility.
  - Proof the school has been operating continuously for at least two years.

#### Private School Definition

A full-time, tuition-bearing educational institution where students receive the majority their academic instruction.

This does not include an entity that serves as a pass-through to distribute enrollment-based funding from an LEA.

Requirements for private schools as qualifying providers: Private schools may become qualifying UFA providers, meaning they meet certain criteria and accept scholarship money directly. This bill **updates the requirements for private schools** that are qualifying providers:

- Maintain a website with (1) clearly posted tuition costs and all fees, and (2) refund and reimbursement policies, among other information.
- The school's published tuition costs, fees, and refund policies must be the same for all students.
- If a scholarship student withdraws, report to the program manager within five business days.
- If the school has a refund policy and a student withdraws, the school must refund the program manager.

Parent reimbursement for private school tuition: **Parents may pay students' tuition directly at private schools that are not qualifying providers and seek monthly tuition reimbursement**, but any private school an eligible student attends must meet the statutory definition of private school.

The program manager should reimburse parents within 10 business days. Parents must provide invoices, proof of enrollment, and proof the school meets various criteria in statute (see page 1).

## **Student Requirements**

Household applications: Creates new requirements for **processing applications for multiple children from the same household**.

- Applications from one household are (1) processed together, and (2) approved or denied as a unit.
- If there aren't enough scholarship funds, the family may (1) accept a partial household award for some children, or (2) stay on the wait list until all children get a scholarship.

Enrollment preference: Reorders and expands **enrollment preference**. The program manager must give enrollment preference in the following order:

- (i) Returning students (*order unchanged*).
- (ii) Siblings of existing scholarship students (*previously third*).
- (iii) New scholarship students (1) with family income at or below 300% of the federal poverty level, and (2) if the student didn't receive a scholarship under a previous household partial award (*partial award is a new requirement*).
- (iv) Lottery for all other students (*unchanged*).

Age of eligible students: Under 19 years old before September 1 of the school year.

Participation in activities: LEAs must let UFA scholarship students participate in extracurricular and athletic activities in the same manner as home school or private school students.

## **Program Manager Requirements**

Customer service: The program manager must maintain **adequate call center capacity**.

Processing expenses:

- Process expense reimbursements within 10 days.
- Create a pre-approval process for expenses before they're incurred, responding within 7 business days.

Educational marketplace: If the program manager runs an educational marketplace:

- Prices must reflect **fair market value**.
- The program may not require exclusive marketplace use.
- The marketplace may not sell used or returned goods.

Compliance: Coordinate with the Utah State Board of Education's Department of Operations on policy interpretations, compliance issues, and customer service standards.

Audit: The Office of the Legislative Auditor General must annually audit UFA, starting in the 2026-2027 school year.