

Val L. Peterson proposes the following substitute bill:

First Credential Program

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

This bill replaces the PRIME program to create the First Credential program.

Highlighted Provisions:

This bill:

- requires designated pathway development positions to perform certain duties;
- repeals the PRIME program;
- establishes a first credential program;
- requires development of a master plan for scaling credentialing programs;
- establishes a master credential list of approved industry-recognized credentials;
- ensures credits are transferable to higher education institutions and technical colleges;
- provides a scholarship for students who complete the first credential program;
- requires annual review and updates based on labor market needs;
- provides a grant for implementation and incentives for outcomes;
- mandates partnerships between schools, employers, and apprenticeship programs;
- promotes stackable credentials that lead to career advancement;
- coordinates language with other legislation contingent upon passage;
- defines terms; and
- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates \$3,000,000 in operating and capital budgets for fiscal year 2026, including:

- \$1,000,000 from Income Tax Fund; and
- \$2,000,000 from various sources as detailed in this bill.

Other Special Clauses:

This bill provides a special effective date.

This bill provides coordination clauses.

Utah Code Sections Affected:

AMENDS:

53B-10-106, as last amended by Laws of Utah 2023, Chapter 453

ENACTS:

53E-10-310, Utah Code Annotated 1953

REPEALS:

53E-10-309, as last amended by Laws of Utah 2024, Chapter 29

Utah Code Sections affected by Coordination Clause:

53E-10-310, Utah Code Annotated 1953

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

Section 1. Section **53B-10-106** is amended to read:

53B-10-106 . Pathways development.

(1) The board shall develop and implement a plan that creates clear educational pathways:

(a) from a technical college described in Subsection 53B-1-102(1)(b) to a degree-granting institution;

(b) in course work leading to a qualifying job or a qualifying degree as described in Section 53B-10-203; and

(c) for high schools that offer criminal justice or protective services pathways programs, including information on:

(i) available concurrent enrollment classes in subjects described in Section 53B-8-112.5; and

(ii) scholarship opportunities for careers as peace officers as defined in Section 53B-8c-102.

(2) The plan shall maximize efficiencies in transferring earned credit and help align academic programs with workforce needs.

(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board may make rules necessary to establish:

(a) a plan described in this section[.] ; and

(b) the job requirements related to regional pathway coordinators funded by the Legislature related to this section and as described in Subsection (4).

(4) Under the direction of the Office of the Commissioner of Higher Education, regional pathway coordinators shall:

- (a) collaborate with regional secondary and postsecondary professionals in:
- (i) concurrent enrollment;
 - (ii) career and technical education; and
 - (iii) workforce development;
- (b) coordinate regional responsibilities with the professionals described in Subsection (4)(a) for programming that aligns work between:
- (i) the statewide college and career mapping efforts;
 - (ii) the Utah First Credential program described in Section 53E-10-310; and
 - (iii) related pathway initiatives, including those described in this section;
- (c) support implementation of:
- (i) the Utah First Credential program described in Section 53E-10-310; and
 - (ii) future programming aligned with updates related to and within the Utah First Credential program described in Section 53E-10-310;
- (d) as the Office of the Commissioner of Higher Education requests, contribute to the development of:
- (i) the Utah First Credential Master Plan described in Section 53E-10-310;
 - (ii) the master credential list described in Section 53E-10-310; and
 - (iii) related Utah First Credential program elements described in Section 53E-10-310, including:
 - (A) alignment of the first credential framework with college and career mapping;
 - (B) regional needs assessments;
 - (C) landscape analyses;
 - (D) definitions and assessment tools; and
 - (E) statewide reporting frameworks; and
- (e) provide required reporting on institutional and regional outcomes related to key performance indicators the Office of the Commissioner of Higher Education establishes.

The following section is affected by a coordination clause at the end of this bill.

Section 2. Section **53E-10-310** is enacted to read:

53E-10-310 . Utah First Credential program.

(1) As used in this section:

- (a) "Eligible institution" means a degree-granting institution of higher education or a technical college within the state system of higher education, as identified in Subsection 53B-2-101(1).

(b) "First credential" means a certificate awarded by the state board to an eligible student who meets the criteria described in Subsection (7).

(c) "Industry-recognized credential" means a credential that is:

(i) developed and offered by, or endorsed by, a nationally recognized industry association or organization representing a sizable portion of the industry sector;

(ii) sought or accepted by employers within the industry or sector as a recognized, preferred, or required credential for recruitment, screening, hiring, retention, or advancement purposes; and

(iii) regularly reviewed, updated, and validated by the issuing body to ensure ongoing alignment with industry standards and labor market needs.

(d) "Master credential list" means the list of approved industry-recognized credentials maintained by the state board in accordance with this section.

(e) "Program" means the first credential program described in this section.

(f) "Technical college" means the same as that term is defined in Section 53B-1-101.5.

(2) The commissioner of higher education, the state superintendent of public instruction, and the governor's education advisor shall establish the First Credential Oversight Committee comprised of:

(a) representatives from industries, including:

(i) members of professional associations or trade groups; and

(ii) employers from high-demand sectors as the state board determines in collaboration with the Utah Board of Higher Education and the Department of Workforce Services;

(b) representatives from education including:

(i) members from the state board;

(ii) LEA administrators, such as a superintendent or charter school director;

(iii) professionals from institutions of higher education, including technical colleges;

(iv) career and technical education specialists; and

(v) Talent Ready Utah; and

(c) workforce development experts, including representatives from the Department of Workforce Services.

(3) The state board shall staff the First Credential Oversight Committee.

(4) The First Credential Oversight Committee shall develop a first credential master plan, which shall include:

(a) a framework for developing and maintaining the master credential list;

- (b) a comprehensive needs assessment framework that evaluates:
- (i) resources available through institutions of higher education, including:
- (A) faculty expertise and availability;
- (B) facilities and equipment;
- (C) existing certification programs; and
- (D) potential for program expansion;
- (ii) industry partnership opportunities, including:
- (A) geographical proximity to potential partners;
- (B) willingness of local industries to participate;
- (C) capacity for work-based learning placements; and
- (D) alignment between industry needs and educational capabilities;
- (iii) general resource availability, including:
- (A) current funding streams and potential funding sources;
- (B) existing technology infrastructure;
- (C) qualified personnel and staffing needs; and
- (D) professional development requirements;
- (c) credential approval processes;
- (d) methods for ensuring industry demand alignment;
- (e) wage considerations for occupations associated with approved credentials;
- (f) clear definitions of industry-recognized credentials;
- (g) strategies for promoting stackability and sequencing of credentials;
- (h) approaches to ensure regional relevance of credentials;
- (i) mechanisms for collaboration between educational institutions, industry partners, and
workforce development agencies;
- (j) strategies for continuous evaluation and improvement of the program;
- (k) the creation of a credentials review committee, including membership and duties;
- (l) in accordance with Subsection (17), an established framework of planning,
implementation, and student outcome performance funding for an LEA administering
first credential programming;
- (m) a weighted system for the master credential list that:
- (i) assigns higher values to credentials based on:
- (A) alignment with high-demand, high-wage occupations;
- (B) incorporation of multiple learning pathways, including coursework,
apprenticeships, internships, work-based learning, and related service

- 165 opportunities;
166 (C) industry recognition and portability; and
167 (D) stackability with other credentials or degrees;
168 (ii) uses the weighted values to:
169 (A) determine incentive funding levels;
170 (B) prioritize program expansion support; and
171 (C) guide student career planning; and
172 (n) guidelines for LEAs to procure industry-recognized certification program licenses,
173 including:
174 (i) verification that certifications appear on the master credential list;
175 (ii) requirement for competency-based assessments in proctored environments;
176 (iii) documentation of local industry endorsement; and
177 (iv) alignment with state and federal computer science initiatives where applicable,
178 including the Computer Science for Utah Grant Program described in Section
179 53B-34-106.
- 180 (5) In accordance with the Utah First Credential Master Plan, the state board shall:
181 (a) ensure that the credentials review committee membership reflects a balance of
182 perspectives and expertise;
183 (b) develop an online application and submission system for credentialing organizations
184 and providers to submit programs for inclusion in the master credential list;
185 (c) establish and maintain the master credential list based on the recommendations of the
186 credentials review committee;
187 (d) develop clear mechanisms for students to understand how earning one credential can
188 lead to higher-level certifications or degrees; and
189 (e) foster partnerships between high schools, technical colleges, employers, and
190 apprenticeship programs to ensure students have access to meaningful work-based
191 learning opportunities.
- 192 (6) The state board shall:
193 (a) automatically include on the initial master credential list any existing credential that:
194 (i) meets the definition of industry-recognized credential under this section; and
195 (ii) is currently recognized by the state board or Utah Board of Higher Education as
196 of July 1, 2024; and
197 (b) review all automatically included credentials within one year to ensure ongoing
198 compliance with program requirements.

- (7) The state board shall award a first credential certificate to an eligible student who completes one of the following:
- (a) concurrent enrollment courses, composed of:
 - (i) between 12 and 18 core general education credits, or as industry standards dictate, with courses from different general education categories; or
 - (ii) a prescribed set of courses as the Utah Board of Higher Education designates;
 - (b) an industry-recognized credential included on the master credential list;
 - (c) 300 hours of completion through a youth apprenticeship program that:
 - (i) is described in Sections 35A-6-102 and 35A-6-104.5; and
 - (ii) includes courses that fulfill the requirements for an industry-recognized credential included on the master credential list;
 - (d) completion of a technical college certificate; or
 - (e) completion of a Career and Technical Education Pathway program.
- (8) The Utah Board of Higher Education shall ensure that credits earned for a first credential certificate are:
- (a) accepted and transferable to institutions of higher education, including technical colleges; and
 - (b) applicable towards relevant degree programs; and
 - (c) recognized by relevant industries as adequate preparation for employment.
- (9) Subject to legislative appropriations, the Utah Board of Higher Education shall award a first credential scholarship to each student who earns a first credential certificate.
- (10) The first credential scholarship may be used at the following institutions:
- (a) a degree-granting institution of higher education or a technical college within the state system of higher education, as identified in Subsection 53B-2-101(1); or
 - (b) a private, nonprofit college or university in the state that is accredited by the Northwest Commission on Colleges and Universities.
- (11) The Utah Board of Higher Education shall annually determine the first credential scholarship amount based on:
- (a) the number of eligible students; and
 - (b) appropriations made by the Legislature.
- (12) A student may use the first credential scholarship for:
- (a) tuition and fees;
 - (b) books and supplies; or
 - (c) other educational expenses as the Utah Board of Higher Education determines.

- (13) The Utah Board of Higher Education shall ensure the scholarship is valid for use within three years from the date the student graduates from high school.
- (14) A student may earn the first credential scholarship in addition to any other state-sponsored scholarships for which the student may be eligible.
- (15) The first credential oversight committee shall present the master plan described in Subsection (4) to the Education Interim Committee by the November 2025 interim committee meeting.
- (16) Every three years, the First Credential Oversight Committee shall:
- (a) review of the Utah First Credential Master Plan;
 - (b) as needed, create a list of recommendations and update the Utah First Credential Master Plan;
 - (c) report the list of recommendations and the updated Utah First Credential Master Plan to:
 - (i) the state board;
 - (ii) the Utah Board of Higher Education;
 - (iii) the Department of Workforce Services;
 - (iv) the Education Interim Committee; and
 - (v) the Economic Development and Workforce Services Interim Committee.
- (17) The state board shall administer a first credential grant program for an LEA and award a grant in accordance with the following process.
- (a) The First Credential Oversight Committee shall establish:
 - (i) a needs assessment tool that evaluates:
 - (A) an LEA's current first credential offering;
 - (B) an LEA's capacity to develop or expand a first credential pathway;
 - (C) resources and support needed for a first credential program, including resources available through institutions of higher education, industry partnership opportunities, and general resource availability; and
 - (D) each potential barrier to implementation; and
 - (ii) a continuum of need to place each applying LEA.
 - (b) An LEA seeking a first credential grant shall submit to the First Credential Oversight Committee:
 - (i) a completed needs assessment; and
 - (ii) a grant application that contains:
 - (A) current first credential data, including current credentials offered;

- 267 (B) preliminary goals for creating or expanding first credential opportunities
268 within the LEA; and
- 269 (C) if applicable, plans for procurement of industry certification program licenses,
270 including certification details and alignment with master credential list,
271 documentation of employer endorsements, assessment and proctoring
272 procedures, and integration with existing computer science programs.
- 273 (c) The First Credential Oversight Committee shall:
- 274 (i) review each submitted application and needs assessment;
275 (ii) assign the LEA a placement on the continuum of need; and
276 (iii) provide to the LEA a specific requirement for an implementation plan based on:
- 277 (A) the LEA's continuum placement;
278 (B) each identified area for growth;
279 (C) each available resource; and
280 (D) each additional factor the First Credential Oversight Committee determines
281 relevant.
- 282 (d) An LEA shall submit to the First Credential Oversight Committee an implementation
283 plan that includes:
- 284 (i) specific goals for expanding a first credential opportunity;
285 (ii) each implementation step and timeline;
286 (iii) a detailed cost projection; and
287 (iv) each additional element the committee requires based on the needs assessment
288 results.
- 289 (e) The First Credential Oversight Committee shall:
- 290 (i) review the implementation plan;
291 (ii) direct technical assistance to the LEA in accordance with the LEA's
292 implementation plan;
293 (iii) provide feedback to the LEA to improve the implementation plan;
294 (iv) approve each implementation plan that meets the established criteria; and
295 (v) award an implementation grant for each approved plan.
- 296 (f) Subject to legislative appropriations, the state board shall:
- 297 (i) award an incentive grant to an LEA that:
- 298 (A) has implemented an approved plan;
299 (B) increases the number of students who earn a first credential certificate; and
300 (C) achieves each established implementation goal; and

(ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in collaboration with the First Credential Oversight Committee, establish by rule:

(A) tiers for incentive grant awards;

(B) performance metrics for continued funding;

(C) reporting requirements for a grant recipient;

(D) requirements for reporting certification program outcomes and industry alignment;

(E) procedures for coordinating with computer science initiative grants; and

(F) guidelines for certification program procurement and implementation.

(18) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in collaboration with the Utah Board of Higher Education and the Department of Workforce Services, the state board shall make rules to implement the provisions of this section.

Section 3. **Repealer.**

This bill repeals:

Section 53E-10-309, Utah PRIME Program -- LAUNCH certificate -- TRANSFORM certificate.

Section 4. **FY 2026 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for fiscal year 2026.

Subsection 4(a). **Operating and Capital Budgets**

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

ITEM 1 To Utah Board of Higher Education - Student Assistance

From Income Tax Fund, One-time	1,000,000
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Schedule of Programs:

Prime Pilot Program Amendments	1,000,000
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The Legislature intends that the Utah System of Higher Education uses \$1,000,000 one-time appropriation for:

(1) providing scholarship funding to students completing the

335 student's first credential; and
 336 (2) creating completion incentives for a student who completes a
 337 technical college certificate.

338 ITEM 2 To State Board of Education - System Standards & Accountability
 339 From Public Education Economic Stabilization
 340 Restricted Account, One-time 2,000,000
 341 Schedule of Programs:

342	⋆ → [Teaching and Learning	(800,000)] ←⋆
343	First Credential Program	⋆→ [2,800,000] 2,000,000 ←⋆

344 The Legislature intends that the State Board of
 345 Education use:

346 (1) \$500,000 one-time appropriation for the
 347 development of the First Credential Master Plan, where:
 348 (a) the First Credential Oversight Committee shall work with
 349 stakeholders to develop the framework for the first
 350 credential program; and
 351 (b) findings shall be presented to the October 2025 Education
 352 Interim meeting.

353 (2) \$500,000 one-time appropriation for the
 354 development of the approved master credential list to:
 355 (a) outline targeted industry clusters, skill clusters, credential
 356 naming, and approved providers or certifiers;
 357 (b) establish a credential review committee; and
 358 (c) create new first credentials and endorsements.

359 (3) \$1,000,000 one-time appropriation for K-12
 360 performance incentives to:
 361 (a) establish a mechanism for incentivizing first credential
 362 completers; and
 363 (b) implement a weighted system where a school can earn
 364 performance dollars based on the quantity and quality of
 365 the first credentials earned by students enrolled at the
 366 school.

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368 Section 5. **Effective Date.**

369 This bill takes effect on July 1, 2025.

Section 6. **Coordinating H.B. 260 with H.B. 447.**

If H.B. 260, First Credential Program, and H.B. 447, Statewide Catalyst Campus Model, both pass and become law, the Legislature intends that, on July 1, 2025:

(1) Subsection 53E-3-507.1(1)(a) enacted in H.B. 447 be amended to read:

"(a) "Catalyst center" means a program or facility operated by an LEA that:

(i) provides learning experiences and instruction that replicate professional environments and workplace practices, including experiences obtained through the Utah First Credential program described in Section 53E-10-310;

(ii) provides profession-based learning experiences by partnering with local industry, business, and community organizations to develop and implement student projects that address specific needs or objectives identified by those partners;

(iii) aligns programs with high-skill, high-demand career pathways and postsecondary education opportunities;

(iv) incorporates industry-standard tools, technologies, and methods into instruction and student work;

(v) prioritizes student activities and profession-based learning projects to build durable professional skills aligned with industry standards and needs;

(vi) facilitates mentorship and participation by industry professionals to guide a student and evaluate the student's work;

(vii) includes an advisory board composed of industry, postsecondary, and community representatives to review program direction and ensure alignment with workforce needs; and

(viii) establishes programs or activities that address gaps in training or resources within the local or regional workforce."; and

(2) Subsections 53E-10-310(1) and (2) enacted in H.B. 260 be amended to read:

"(1) As used in this section:

(a) "Eligible institution" means a degree-granting institution of higher education or a technical college within the state system of higher education, as identified in Subsection 53B-2-101(1).

(b) "First credential" means a certificate awarded by the state board to an eligible student who meets the criteria described in Subsection (7).

(c) (i) "Industry-recognized credential" means a credential that is:

(A) developed and offered by, or endorsed by, a nationally recognized industry association or organization representing a sizable portion of the industry sector;

(B) sought or accepted by employers within the industry or sector as a

recognized, preferred, or required credential for recruitment, screening, hiring, retention, or advancement purposes; and

(C) regularly reviewed, updated, and validated by the issuing body to ensure ongoing alignment with industry standards and labor market needs.

(ii) "Industry-recognized credential" may also include a credential offered through a catalyst center as described in Section 53E-3-507.1.

(d) "Master credential list" means the list of approved industry-recognized credentials maintained by the state board in accordance with this section.

(e) "Program" means the first credential program described in this section.

(f) "Technical college" means the same as that term is defined in Section 53B-1-101.5.

(2) The commissioner of higher education, the state superintendent of public instruction, and the governor's education advisor shall establish the First Credential Oversight Committee comprised of:

(a) representatives from industries, including:

(i) members of professional associations or trade groups; and

(ii) employers from high-demand sectors as the state board determines in collaboration with the Utah Board of Higher Education and the Department of Workforce Services;

(b) representatives from education including:

(i) members from the state board;

(ii) the director of the Catalyst Center Grant Program described in Section 53E-3-507.1;

(iii) LEA administrators, such as a superintendent or charter school director;

(iv) professionals from institutions of higher education, including technical colleges;

(v) career and technical education specialists; and

(vi) Talent Ready Utah; and

(c) workforce development experts, including representatives from the Department of Workforce Services."