

David P. Hinkins proposes the following substitute bill:

Rural School Funding Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tiara Auxier

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill creates the Rural School Sports Facilities Grant Program.

Highlighted Provisions:

This bill:

- defines terms;
- creates the Rural School Sports Facilities Grant Program to fund the construction or refurbishment of sports facilities in rural public schools;
- requires the Utah State Board of Education to administer the program;
- allows a local education agency to apply for funds from the program;
- requires the state board to report on the program upon request; and
- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates \$4,390,000 in operating and capital budgets for fiscal year 2026, all of which is from the various sources as detailed in this bill.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53E-1-201, as last amended by Laws of Utah 2024, Chapters 3, 460 and 525

53F-9-204, as last amended by Laws of Utah 2024, Chapter 322

ENACTS:

53F-10-303, Utah Code Annotated 1953

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

Section 1. Section **53E-1-201** is amended to read:

53E-1-201 . Reports to and action required of the Education Interim Committee.

- (1) In accordance with applicable provisions and Section 68-3-14, the following recurring reports are due to the Education Interim Committee:
- (a) the report described in Section 9-22-109 by the STEM Action Center Board, including the information described in Section 9-22-113 on the status of the computer science initiative and Section 9-22-114 on the Computing Partnerships Grants Program;
 - (b) the prioritized list of data research described in Section 53B-33-302 and the report on research and activities described in Section 53B-33-304 by the Utah Data Research Center;
 - (c) the report described in Section 53B-1-402 by the Utah Board of Higher Education on career and technical education issues and addressing workforce needs;
 - (d) the annual report of the Utah Board of Higher Education described in Section 53B-1-402;
 - (e) the reports described in Section 53B-28-401 by the Utah Board of Higher Education regarding activities related to campus safety;
 - (f) the State Superintendent's Annual Report by the state board described in Section 53E-1-203;
 - (g) the annual report described in Section 53E-2-202 by the state board on the strategic plan to improve student outcomes;
 - (h) the report described in Section 53E-8-204 by the state board on the Utah Schools for the Deaf and the Blind;
 - (i) the report described in Section 53E-10-703 by the Utah Leading through Effective, Actionable, and Dynamic Education director on research and other activities;
 - (j) the report described in Section 53F-2-522 regarding mental health screening programs;
 - (k) the report described in Section 53F-4-203 by the state board and the independent evaluator on an evaluation of early interactive reading software;
 - (l) the report described in Section 63N-20-107 by the Governor's Office of Economic Opportunity on UPSTART;
 - (m) the reports described in Sections 53F-5-214 and 53F-5-215 by the state board related to grants for professional learning and grants for an elementary teacher preparation assessment;
 - (n) upon request, the report described in Section 53F-5-219 by the state board on the

Local Innovations Civics Education Pilot Program;

(o) the report described in Section 53F-5-405 by the state board regarding an evaluation of a partnership that receives a grant to improve educational outcomes for students who are low income;

(p) the report described in Section 53B-35-202 regarding the Higher Education and Corrections Council;

(q) the report described in Section 53G-7-221 by the state board regarding innovation plans;

(r) the reports described in Section 53F-6-412 regarding the Utah Fits All Scholarship Program.

(2) In accordance with applicable provisions and Section 68-3-14, the following occasional reports are due to the Education Interim Committee:

(a) in 2027, 2030, 2033, and 2035, the reports described in Sections 53B-1-116, 53B-1-117, and 53B-1-118;

(b) if required, the report described in Section 53E-4-309 by the state board explaining the reasons for changing the grade level specification for the administration of specific assessments;

(c) if required, the report described in Section 53E-5-210 by the state board of an adjustment to the minimum level that demonstrates proficiency for each statewide assessment;

(d) the report described in Section 53E-10-702 by Utah Leading through Effective, Actionable, and Dynamic Education;

(e) if required, the report described in Section 53F-2-513 by the state board evaluating the effects of salary bonuses on the recruitment and retention of effective teachers in high poverty schools;

(f) upon request, the report described in Section 53F-10-303 by the state board regarding the Rural School Sports Facilities Grant Program;

~~[(f)]~~ (g) upon request, a report described in Section 53G-7-222 by an LEA regarding expenditure of a percentage of state restricted funds to support an innovative education program;

~~[(g)]~~ (h) the reports described in Section 53G-11-304 by the state board regarding proposed rules and results related to educator exit surveys; and

~~[(h)]~~ (i) the report described in Section 26B-5-113 by the Office of Substance Use and Mental Health, the state board, and the Department of Health and Human Services

97 regarding recommendations related to Medicaid reimbursement for school-based
98 health services.

99 Section 2. Section **53F-9-204** is amended to read:

100 **53F-9-204 . Public Education Economic Stabilization Restricted Account.**

101 (1) There is created within the Uniform School Fund a restricted account known as the
102 "Public Education Economic Stabilization Restricted Account."

103 (2)(a) Except as provided in Subsection (2)(b), the account shall be funded from the
104 following revenue sources:

105 (i) 15% of the difference between, as determined by the Office of the Legislative
106 Fiscal Analyst:

107 (A) the estimated amount of ongoing Income Tax Fund and Uniform School Fund
108 revenue available for the Legislature to appropriate for the next fiscal year; and

109 (B) the amount of ongoing appropriations from the Income Tax Fund and Uniform
110 School Fund in the current fiscal year; and

111 (ii) other appropriations as the Legislature may designate.

112 (b) If the appropriation described in Subsection (2)(a) would cause the ongoing
113 appropriations to the account to exceed 11% of Uniform School Fund appropriations
114 described in Section 53F-9-201.1 for the same fiscal year, the Legislature shall
115 appropriate only those funds necessary to ensure that the ongoing appropriations to
116 the account equal 11% of Uniform School Fund appropriations for that fiscal year.

117 (3) Subject to the availability of ongoing appropriations to the account, in accordance with
118 Utah Constitution, Article X, Section 5, Subsection (4), the ongoing appropriation to the
119 account shall be used to fund:

120 (a) except for a year described in Subsection (3)(b), one-time appropriations to the
121 public education system; and

122 (b) the Minimum School Program for a year in which Income Tax Fund revenue and
123 Uniform School Fund revenue are insufficient to fund:

124 (i) ongoing appropriations to the public education system; and

125 (ii) enrollment growth and inflation estimates, as defined in Section 53F-9-201.1.

126 (4)(a) The account shall earn interest.

127 (b) All interest earned on account money shall be deposited in the account.

128 (5) On or before December 31, 2023, and every three years thereafter, the Office of the
129 Legislative Fiscal Analyst shall:

130 (a) review the percentages described in Subsections (2)(a)(i) and (2)(b); and

(b) recommend to the Executive Appropriations Subcommittee any changes based on the review described in Subsection (5)(a).

(6) In preparing budget bills for a given fiscal year, the Executive Appropriations Committee shall make the one-time appropriations described in Subsection (3)(a) by appropriating at least the lesser of 10% of the total amount of the one-time appropriations; or

(a) the cost of providing 32 paid professional hours for teachers in accordance with Section 53F-7-203;[~~and~~]

(b) the amount to make the distribution required under Section 53F-2-527[:] ; and

(c) the cost of the Rural School Sports Facilities Grant Program described in Section 53F-10-303.

Section 3. Section **53F-10-303** is enacted to read:

53F-10-303 . Rural School Sports Facilities Grant Program.

(1) As used in this section:

(a) "Eligible school" means a public school within a school district:

(i) located in a county of the fourth, fifth, or sixth class, as defined in Section17-50-501; or

(ii) with fewer than 3,000 students enrolled in the school district.

(b) "Program" means the Rural School Sports Facilities Grant Program created in Subsection (2).

(c) "Sports facility" means an indoor or outdoor facility primarily designed and used for athletic activities, physical education, or school-sponsored sports programs.

(2) There is created the Rural School Sports Facilities Grant Program to provide funding to an eligible school for the construction or refurbishment of a sports facility.

(3) The state board shall:

(a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to:

(i) create an application process for a school district to apply for program funds;

(ii) select a school to receive program funds in accordance with Subsection (3)(b); and

(iii) establish a system to distribute program funds to a school the state board selects to receive program funds through the program; and

(b) subject to legislative appropriations, prioritize applications and distribute program funds to an eligible school based on:

(i) the greatest need for program funds;

- 165 (ii) the financial feasibility of a sports facility construction or refurbishment project;
166 and
167 (iii) the potential benefit program funds may have on the community.
- 168 (4)(a) A school district with jurisdiction over an eligible school may submit an
169 application to receive program funds under this section.
- 170 (b) In the school district's application, the school district shall:
171 (i) identify an eligible school within the school district that wishes to receive program
172 funds;
173 (ii) evidence the need for construction or refurbishment of a sports facility;
174 (iii) describe the proposed sports facility project; and
175 (iv) estimate a budget and timeline for the completion of the sports facility project.
- 176 (5) A school district to which the state board awards program funds shall submit a report to
177 the state board, by December 31 each year while construction is ongoing, detailing:
178 (a) how a school is using program funds to complete the sports facility project;
179 (b) budget and timeline updates related to the construction or refurbishment of the sports
180 facility; and
181 (c) the progress of the construction or refurbishment of a sports facility.
- 182 (6) Subject to legislative appropriations, the state board may award up to \$500,000 to each
183 eligible school the state board selects under the program.
- 184 (7) Upon request of the Education Interim Committee, the state board shall report to the
185 Education Interim Committee on:
186 (a) the number of applications the state board accepts;
187 (b) the dollar amount of program funds the state board awards under this section;
188 (c) the implementation of the program; and
189 (d) the use of program funds.

190 Section 4. **FY 2026 Appropriations.**

191 The following sums of money are appropriated for the fiscal year beginning July 1,
192 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
193 fiscal year 2026.

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

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

198 ITEM 1 To State Board of Education - School Building Programs - Public Education

199 Capital Projects

200 From Public Education Economic Stabilization

201 Restricted Account, One-time 4,390,000

202 Schedule of Programs:

203 Small District Athletic Facilities Grants 4,390,000

204 ITEM 2 To State Board of Education - Contracted Initiatives and Grants

205 Section 5. **Effective Date.**

206 This bill takes effect on July 1, 2025.