

1 **School District Funding Amendments**  
 2026 GENERAL SESSION  
 STATE OF UTAH  
**Chief Sponsor: Emily Buss**  
 House Sponsor:

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2  
 3 **LONG TITLE**

4 **General Description:**

5 This bill creates the High Growth District Grant Program.

6 **Highlighted Provisions:**

7 This bill:

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

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 ENACTS:

- 21 **53F-10-401**, Utah Code Annotated 1953
- 22 **53F-10-402**, Utah Code Annotated 1953
- 23 **53F-10-403**, Utah Code Annotated 1953
- 24 **53F-10-404**, Utah Code Annotated 1953
- 25 **53F-10-405**, Utah Code Annotated 1953

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

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

29 **Part 4. High Growth District Grant Program**

30 **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:

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

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

70           **53F-10-403 . Eligibility requirements -- High growth district determination.**

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

- 72           (a) the school district has a positive average annual net enrollment increase; and  
73           (b) the state board determines that the school district is a high growth district under  
74           Subsection (2).

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

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

- 79           (i) calculate the sum of average annual net enrollment increases for all school  
80           districts that have a positive average annual net enrollment increase, excluding  
81           school districts with stable or declining enrollment;  
82           (ii) for each school district described in Subsection (2)(b)(i), calculate the ratio of the  
83           school district's average annual net enrollment increase to the sum calculated  
84           under Subsection (2)(b)(i); and  
85           (iii) designate as a high growth district each school district whose ratio calculated  
86           under Subsection (2)(b)(ii) is equal to or greater than 0.10.

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

- 88           (a) shall use ADM data from the three most recent fiscal years for which data is  
89           available; and  
90           (b) may include projected enrollment data for the upcoming fiscal year if:  
91           (i) the school district provides documentation supporting the projection; and  
92           (ii) the state board determines the projection is reasonable based on:  
93           (A) historical enrollment trends;  
94           (B) residential construction permits issued within the school district's boundaries;  
95           (C) population growth data from the Utah Population Committee created in  
96           Section 63C-20-103; and  
97           (D) other demographic data the state board considers relevant.

98           (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.