

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

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**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 ~~Ĥ~~ → **[Auditor General] Fiscal Analyst and the Governor's Office of Planning and Budget** ← ~~Ĥ~~ 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.

28 **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



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 ~~Ĥ~~ → ~~[Auditor General]~~ **Fiscal Analyst and the**  
 80a **Governor's Office of Planning and Budget** ← ~~Ĥ~~ 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.

Section 3. **FY 2027 Appropriations.**

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

Subsection 3(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 - Administration

From Income Tax Fund, One-time	4,500,000
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Schedule of Programs:

Pass Through Funding	4,500,000
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The Legislature intends that the Utah Board of

Higher Education:

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

- (a) educational attainment or credential completion;
- (b) persistence, transfer, or completion within 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

Schedule of Programs:

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.