

UTAH STATE BOARD OF EDUCATION

Subject:

ACTION: R277-626, Carson Smith Scholarships Funding and Procedures (Amendment)

Agenda item type:

Action Item

Recommended Action:

That the Committee approves R277-626, Carson Smith Scholarships Funding and Procedures, Draft 1, on first reading and forward to the Board for approval on second and final reading.

Purpose of Memo:

Result of legislative action

Background:**Background of the Rule and S.B. 54**

Rule R277-626 provides the administrative framework and guidelines for the Superintendent and the contracted Scholarship Granting Organization (SGO) to implement the Carson Smith Opportunity Scholarship Program. The rule governs the SGO's responsibilities, including managing scholarship funds, disbursing tuition payments, and reporting program metrics.

During the 2026 General Session, the Utah Legislature passed S.B. 54, Carson Smith Opportunity Scholarship Program Amendments. This legislation significantly overhauls the scholarship's accessibility and administration. Notably, S.B. 54 eliminates family income-based eligibility requirements, removes sibling eligibility, and more closely aligns the program's allowable expenses with the Utah Fits All Scholarship Program. To protect consumers and ensure proper stewardship of funds, the bill also places several new administrative requirements directly on the SGO.

Summary of Proposed Changes to R277-626

The proposed amendments update R277-626 to ensure the Board's administrative rules perfectly reflect the new statutory mandates established in S.B. 54.

The primary modifications focus on Section 4 (SGO Responsibilities) and require the SGO to:

Implement strict Utah residency verification protocols using state tax data or approved documentation.

Establish firm deadlines for families to accept or decline scholarship offers.

Cap allowable scholarship expenditures for extracurricular activities and physical education at 20% of the total award.

Create a formal appeals process for families whose expense reimbursement requests are denied.

Cease charging processing fees to students or passing on third-party management fees.

Publicly disclose all third-party contracts and associated fees to ensure transparency.

These updates ensure statutory compliance, enhance transparency in how scholarship funds are managed, and provide clear protections for participating families.

Staff will present R277-626, Carson Smith Scholarships Funding and Procedures, Draft 1, for consideration and approval.

Authorizing, and Implemented or Interpreted Law: [Art X, Sec 3](#); [53E-3-401](#)(4); [Title 53E, Chapter 7, Part 4](#)

Contact:

Name: Elisse Newey
Title: Deputy Superintendent of Policy
Phone: 801-538-7764
Email: Elisse.newey@schools.utah.gov

Attachments:

1. R277-626 - Draft 1 - June 2026 Committee
2. R277-626 Reporting Burden and Fiscal Impact Estimate Form