

Utah Fits All Scholarship

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Legislative Brief

This brief provides an overview of the Utah Fits All Scholarship, the criteria for applicants, the 2025 report released by the State Auditor, and an explanation of the pending lawsuit filed against the program.

Overview

The Utah Fits All Scholarship Program, established under House Bill 215 in the 2023 General Session, provides an education savings account (ESA) to Utah K-12 students to help families customize their children's education. **Beginning in the 2025-2026 school year, eligible students can receive up to \$8,000 for private school students, \$4,000 for home-based students ages 5-11, and \$6,000 for home-based students ages 12-18.** The program is administered by Odyssey. The funds can be used for a wide variety of qualifying scholarship expenses:



Tuition



Tutoring
services



Textbooks



Educational
software



Examination
fees



Occupational or
behavioral therapies

The program initially launched for the 2024-2025 school year with \$80 million in funding. Significant updates were made when House Bill 455 was signed into law in 2025. For the 2026-2027 school year, the program has been allocated \$120 million in funding. This legislation introduced stricter residency and income verification, precise definitions for private schools, and distinct funding amounts depending on whether a student is in a private school or home-based.

Criteria & Applications

Every K-12 child who is a resident of Utah is eligible to apply, regardless of whether they currently attend a public school, a private school, are homeschooled, or are eligible to enter kindergarten in the upcoming year. However, accepting the scholarship means opting your child out of standard public school enrollment.

Students cannot be dual-enrolled in a public school where they are counted for public education funding purposes while receiving the scholarship. The application portal operates on an annual schedule: it opens on March 1 for renewing students and siblings, opens on April 1 for new students, and closes for all applicants on May 1.

Because the program distributes awards through a random lottery when applications exceed available funds, the law dictates a strict order of priority for applicants:

- 1. Students who used a scholarship account in the previous school year (renewals)
- 2. Siblings of eligible students who are currently using or have previously used a scholarship
- 3. New applicants with a family income at or below 300% of the federal poverty level
- 4. Any remaining eligible students



2025 Audit Report

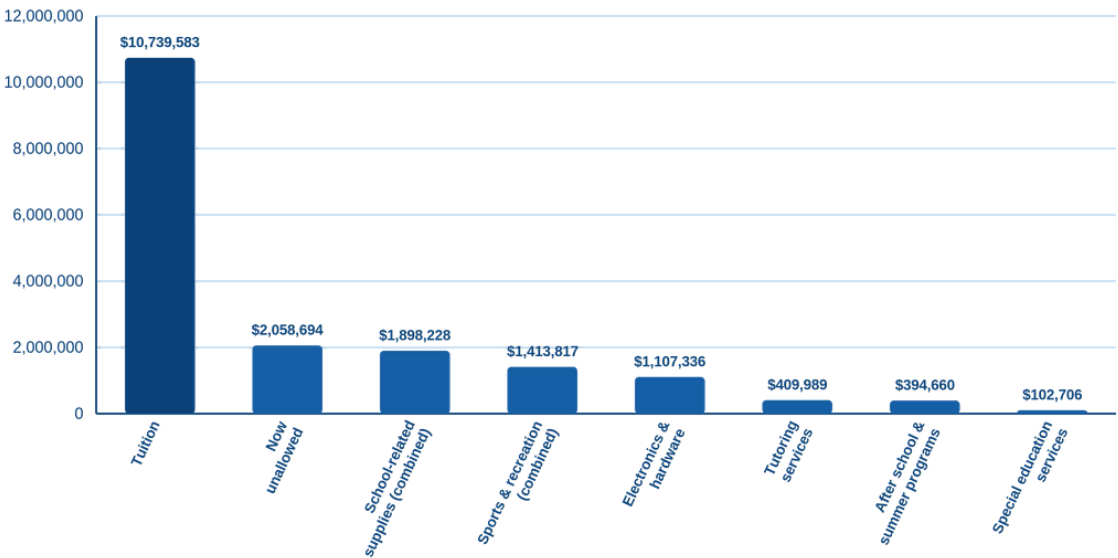
The Office of the Utah State Auditor conducted a limited review of the UFA Scholarship Program for the fiscal year 2024-2025. To evaluate how the scholarship funds were spent, the Auditor's Office developed an automated AI system to process and categorize a subset of over 41,000 transactions, which totaled more than \$17.1 million. The full report can be found [here](#).

Key Findings

Primary Usage was Educational: The majority of the scholarship funds were appropriately used for legitimate educational activities. Private school tuition was by far the largest expense, accounting for over \$10.7 million of the analyzed subset.

Instances of Extravagant Spending: The audit found that some funds (totaling roughly \$645,000) were used for "wasteful and extravagant purchases" and "inconsistent with principles of sound fiscal responsibility."

Statutory Changes: The auditor noted that while some of these extravagant purchases were technically lawful at the time they were made, new amendments passed during the 2025 legislative session have since made many of them unallowable or placed caps on them.



Condensed graphic of the auditor's report on reimbursements from the scholarship, by category

Recommendations

The State Auditor recommended that USBE and the Utah Legislature establish reasonable spending thresholds and guidelines specifically for electronics and hardware purchases. Furthermore, the report advised that the responsible agencies continuously and closely monitor transactions to prevent further waste and abuse.

Current Lawsuit

Currently (as of July 2026), the program is the subject of a pending lawsuit. Although a 3rd District Court judge ruled against the program on April 21, 2025, all parties agreed to allow the Utah Fits All Program to operate uninterrupted while the decision is appealed to the Utah Supreme Court. The Utah Supreme Court has not yet issued a final ruling, and there is no official timeline for the court's decision. The pending lawsuit was filed by the Utah Education Association (UEA) against state officials and the program's manager and appealed by the State.

The Core Arguments:

- **The UEA's Position:** The teachers' union argues that the program is unconstitutional because it diverts public funds to private schools that are not free, not open to all, and lack oversight from the Utah State Board of Education. They contend that the program lacks accountability and siphons necessary resources away from the public school system.
- **The State's Defense:** The Utah Attorney General's Office defends the program by arguing that the Utah Constitution allows the Legislature to establish additional educational programs alongside the public school system. The state maintains that funding the program with income tax revenues is a constitutionally authorized use to "support children," and that it does not reduce funding for public schools.

The case is currently before the Utah Supreme Court, with both sides having filed their legal briefs in January 2026. State legislative leaders have warned that the lawsuit could have unintended consequences for public educators. Because the original legislation establishing the program was a compromise bill, overturning it risks unraveling the \$6,000 pay raise for every public school teacher that was tied to the scholarship's passage.

Sources & Further Readings

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