

26 ▶ details components of a high quality preschool program that may be funded through
27 a results-based contract between the board and private entities;

28 ▶ describes a home-based technology program that may be funded through a
29 results-based contract between the board and private entities; and

30 ▶ establishes reporting requirements.

31 **Money Appropriated in this Bill:**

32 This bill appropriates in fiscal year 2014:

33 ▶ to the ~~§~~→ [General] Education ←~~§~~ Fund Restricted - Results-based Early Education
33a Restricted Account,
34 as an ongoing appropriation:

35 • from the General Fund, \$1,000,000

36 ▶ to State Board of Education - Utah State Office of Education

37 • from the Results-based Early Education Restricted Account, \$75,000

38 ▶ to State Board of Education - Utah State Office of Education - Initiative Programs

39 • from the Results-based Early Education Restricted Account, \$100,000.

40 **Other Special Clauses:**

41 This bill provides an effective date.

42 **Utah Code Sections Affected:**

43 ENACTS:

44 **53A-1b-101**, Utah Code Annotated 1953

45 **53A-1b-102**, Utah Code Annotated 1953

46 **53A-1b-103**, Utah Code Annotated 1953

47 **53A-1b-104**, Utah Code Annotated 1953

48 **53A-1b-105**, Utah Code Annotated 1953

49 **53A-1b-106**, Utah Code Annotated 1953

50 **53A-1b-107**, Utah Code Annotated 1953

51

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

53 Section 1. Section **53A-1b-101** is enacted to read:

54 **CHAPTER 1b. RESULTS-BASED FINANCING**

55 **Part 1. Results-based Early Education Act**

56 **53A-1b-101. Title.**

88 (D) is enrolled at a school that does not offer a lunch program and is a sibling of a
 89 student accounted for in Subsection (2)(a) or (b).

90 (3) "Eligible home-based educational technology provider" means a provider that
 91 intends to offer a home-based educational technology program through a results-based contract.

92 (4) "Eligible LEA" means an LEA that:

93 (a) receives federal money under Title I of the No Child Left Behind Act of 2001, 20
 94 U.S.C. Sec. 6301-6578, for a school-wide or targeted assistance program;

95 (b) agrees to fund a portion of its preschool program funded under this part with
 96 federal funds described in Subsection (4)(a); and

97 (c) has a data system capacity to collect longitudinal academic outcome data, including
 98 special education use by student, by identifying each student with a statewide unique student
 99 identifier.

100 (5) (a) "Eligible private provider" means a child care program that:

101 (i) (A) except as provided in Subsection (5)(b), is licensed under Title 26, Chapter 39,
 102 Utah Child Care Licensing Act; or

103 (B) is exempt from licensure under Section 26-39-403; and

104 (ii) meets other criteria as established by the board, consistent with Utah Constitution
 105 Article X, Section 1.

106 (b) "Eligible private provider" does not include a residential child care, as defined in
 107 Section 26-39-102.

108 (6) "Eligible student" means a student who:

109 (a) lives in the attendance boundaries of an eligible LEA; ~~§~~ → [and] ← ~~§~~

110 (b) (i) is economically disadvantaged; or

111 (ii) is classified as an English language learner ~~§~~ → [;] ; and

111a (c) scores below average on an age-appropriate pre-assessment selected by an eligible
 111b LEA. ← ~~§~~

112 (7) "Local Education Agency" or "LEA" means a school district or charter school.

113 (8) "Performance outcome measure" means:

114 (a) a cost avoidance in special education use for a student funded pursuant to a contract
 115 under this part; and

116 (b) an academic achievement outcome for a student funded pursuant to a contract
 117 under this part.

118 (9) "Results-based contract" means a contract entered into by the board, a private

119 entity, and a provider of early childhood education that may result in repayment to a private
 120 entity if certain performance outcome measures are achieved.

121 Section 4. Section **53A-1b-104** is enacted to read:

122 **53A-1b-104. Results-based Early Education Restricted Account -- Creation --**
 123 **Funding -- Distribution of funds.**

124 (1) There is created a restricted account in the ~~§~~ → [General] Education ← ~~§~~ Fund known
 124a as the

125 "Results-based Early Education Restricted Account" to fund results-based contracts for eligible
 126 students to participate in:

127 (a) a high quality preschool program described in Section 53A-1b-106; or

128 (b) a home-based educational technology program described in Section 53A-1b-107.

129 (2) The restricted account consists of:

130 (a) money appropriated to the restricted account by the Legislature;

131 (b) all income and interest derived from the deposit and investment of money in the
 132 account;

133 (c) federal grants; and

134 (d) private donations.

135 (3) The board shall distribute funds in the restricted account in accordance with
 136 Subsection (4) to one or more private entities that the board has entered into a results-based
 137 contract with if the independent evaluator determines that the performance-based results have
 138 been met.

139 (4) (a) At the end of each year of a results-based contract, the independent evaluator
 140 shall determine whether the performance outcome measures set in the results-based contract
 141 have been met.

142 (b) If the independent evaluator determines under Subsection (4)(a) that the
 143 performance outcome measures have been met, the board shall determine what the repayment
 144 to the private entity for that year would be, but not pay the private entity until the end of the
 145 fourth year of the results-based contract.

146 (c) The fourth year payment described in Subsection (4)(b) shall include each annual
 147 accrued payment plus interest.

148 (d) After the fourth year, the board may pay the private entity on an annual basis, if the
 149 independent evaluator determines that the performance outcome measures set in the

181 Section 53A-1b-107.

182 (b) The board may provide for a repayment to a private entity to include a return of
 183 investment and an additional return on investment, dependent on achievement of specific
 184 performance outcome measures set in the results-based contract.

185 (c) Funding obtained for an early education program under this part is not a
 186 procurement item under Section 63G-6a-103.

187 (7) A contract shall include:

188 (a) a requirement that the repayment to the private entity be conditioned on specific
 189 performance outcome measures set in the results-based contract;

190 (b) a requirement for an independent evaluator to determine whether the performance
 191 outcomes have been achieved;

192 (c) a provision that repayment to the private entity is:

193 (i) based upon available money in the Results-based Early Education Restricted
 194 Account; and

195 (ii) subject to legislative appropriation;

196 (d) that the contract is subject to final approval by the State Board of Education; and

197 (e) ~~that~~ the private entity is not eligible to receive or view any
 197a personally-identifiable

198 student data ~~of students~~ funded through a results-based contract.

199 (8) The board may not issue a results-based contract if:

200 (a) the total outstanding obligations of results-based contracts issued by the board
 201 under this part would exceed \$10,000,000; or

202 (b) the total number of ~~at-risk~~ students ~~currently being~~ funded
 202a ~~under this part~~ by results-based contracts would

203 exceed 3% of the state's total enrollment of students in public schools.

204 (9) The State Board of Education shall, by majority vote, approve or deny a
 205 results-based contract within 30 days after the day on which the board submits the results-based
 206 contract to the State Board of Education for approval.

207 (10) (a) Subject to Subsection (10)(b), the board shall select an independent,
 208 nationally-recognized early childhood education evaluator, selected through a request for
 209 proposals process, to annually evaluate performance outcome measures set in a results-based
 210 contract of the board.

211 (b) The State Board of Education shall approve or deny the selection of the

274 (6) (a) An LEA that receives funds under this section shall report annually to the board
275 the following de-identified information for eligible students funded in whole or in part pursuant
276 to a results-based contracts:

277 (i) number of eligible students served by the LEA's preschool, reported by
278 economically disadvantaged status and English language learner status;

279 (ii) attendance;

280 (iii) cost per eligible student;

281 (iv) assessment results of the pre- and post-assessments selected by the board; and

282 (v) aggregated longitudinal data on eligible students currently receiving funding under
283 this part and any eligible students who previously received funding under this part, including:

284 (A) academic achievement outcomes;

285 (B) special education use; and

286 (C) English language learner services.

287 (b) For each year of a results-based contract, the board shall report to the Education
288 Interim Committee the following:

289 (i) information collected under Subsection (6)(a) for each participating LEA; and

290 (ii) the terms of the results-based contract, including:

291 (A) the name of each private entity and funding source;

292 (B) the amount of money each private entity has invested;

293 (C) the performance outcome measures set in the results-based contract by which
294 repayment will be determined; and

295 (D) the repayment schedule to the private entity if the performance outcomes are met.

296 (7) (a) Except as provided in Subsection (11), an eligible LEA shall contract with an
297 eligible private provider, located within the LEA's attendance boundaries, to provide the high
298 quality preschool program to a portion of the LEA's eligible students funded by a results-based
299 contract.

300 (b) The board shall determine in ~~§~~ → [the] ← ~~§~~ a results-based contract the portion of an
300a LEA's

301 eligible students funded by the results-based contract to be served by an eligible private
302 provider.

303 (8) (a) Except as provided in Subsection (8)(b), to receive funding pursuant to a
304 results-based contract, an eligible private provider shall:

398 (D) the repayment schedule to the private entity if the performance outcomes are met.

399 (7) The State Board of Education shall report annually to the board aggregated
 400 longitudinal data on eligible students currently receiving funding under this section and any
 401 eligible students who previously received funding under this section, including:

402 (a) academic achievement outcomes;

403 (b) special education use; and

404 (c) English language learner services.

405 (8) The evaluator selected pursuant to Section 53A-1b-105 shall annually evaluate:

406 (a) the quality and outcomes of a home-based technology program funded by a
 407 results-based contract between a private entity and the board, including the pre- and
 408 post-assessment results, of the assessment designated by the board under Section 53A-1b-105,
 409 of eligible students in the program; and

410 (b) whether or not the performance outcome measures set in the results-based contract
 411 have been met, using de-identified data reported in Subsections (6) and (7).

412 **Section 8. Appropriation.**

413 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
 414 the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following sums of money
 415 are appropriated from resources not otherwise appropriated, or reduced from amounts
 416 previously appropriated, out of the funds or accounts indicated. These sums of money are in
 417 addition to any amounts previously appropriated for fiscal year 2014.

418 To ~~§~~→ [General] Education ←~~§~~ Fund Restricted - Results-based Early
 419 Education Restricted Account

420 From General Fund \$1,000,000

421 Schedule of Programs:

422 ~~§~~→ [-General] Education ←~~§~~ Fund Restricted - Results-based Early Education
 423 Restricted Account \$1,000,000

424 To State Board of Education - State Office of Education

425 From Results-based Early Education Restricted Account \$75,000

426 Schedule of Programs:

427 Board and Administration \$75,000

428 To State Board of Education - State Office of Education - Initiative Programs