

Representative Bradley G. Last proposes the following substitute bill:

UTAH SCHOOL READINESS INITIATIVE AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

This bill amends provisions related to the School Readiness Initiative.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ moves the School Readiness Board (board) from the Governor's Office of Management and Budget to the Department of Workforce Services;
- ▶ requires the State Board of Education to develop a school readiness program entry assessment;
- ▶ requires certain school readiness programs to administer school readiness program entry and exit assessments;
- ▶ modifies the membership of the board;
- ▶ requires the board to award a contract to a nonprofit entity to provide program support for results-based contracts;
- ▶ enacts a prioritization for funding school readiness programs;
- ▶ enacts and consolidates provisions related to requirements for recipients of funding through results-based contracts;
- ▶ permits the board to fund a high quality school readiness program directly, if the



- 26 high quality school readiness program meets certain requirements;
- 27 ▶ requires the board to select at least three independent evaluators;
- 28 ▶ requires the operator of a high quality school readiness program that participates in
- 29 a results-based contract to select an evaluator to evaluate the high quality school
- 30 readiness program; and
- 31 ▶ makes technical and conforming changes.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 This bill provides a special effective date.

36 **Utah Code Sections Affected:**

37 AMENDS:

- 38 **53E-9-301**, as renumbered and amended by Laws of Utah 2018, Chapter 1
- 39 **53F-6-301**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 40 **53F-6-303**, as enacted by Laws of Utah 2018, Chapter 2
- 41 **53F-6-305**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 42 **53F-6-309**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 43 **53F-6-310**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 44 **63J-1-602.2**, as last amended by Laws of Utah 2015, Chapters 86, 93, and 189
- 45 **63J-1-602.3**, as last amended by Laws of Utah 2017, Chapters 396 and 423

46 RENUMBERS AND AMENDS:

- 47 **35A-3-209**, (Renumbered from 53F-6-302, as renumbered and amended by Laws of
- 48 Utah 2018, Chapter 2)
- 49 **35A-3-210**, (Renumbered from 53F-9-402, as renumbered and amended by Laws of
- 50 Utah 2018, Chapter 2)

51 ENACTS:

- 52 **53E-4-314**, Utah Code Annotated 1953

53 REPEALS AND REENACTS:

- 54 **53F-6-306**, as renumbered and amended by Laws of Utah 2018, Chapter 2

55 REPEALS:

- 56 **53F-6-307**, as renumbered and amended by Laws of Utah 2018, Chapter 2

57 53F-6-308, as renumbered and amended by Laws of Utah 2018, Chapter 2

58

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

60 Section 1. Section **35A-3-209**, which is renumbered from Section 53F-6-302 is

61 renumbered and amended to read:

62 ~~[53F-6-302].~~ **35A-3-209. Establishment of the School Readiness Board --**
 63 **Membership -- Program intermediary -- Funding prioritization.**

64 (1) The terms defined in Section 53F-6-301 apply to this section.

65 ~~[(+)]~~ (2) There is created [a] the School Readiness Board within the [~~Governor's Office~~
 66 ~~of Management and Budget~~] Department of Workforce Services composed of:

67 (a) the director of the Department of Workforces Services or the director's designee;

68 (b) one member appointed by the State Board of Education;

69 (c) one member appointed by the chair of the State Charter School Board;

70 (d) one member who has research experience in the area of early childhood

71 development, including special education, appointed by the speaker of the House of

72 Representatives; and

73 (e) one member, appointed by the president of the Senate[-], who:

74 (i) has expertise in pay for success programs; or

75 (ii) represents a financial institution that has experience managing a portfolio that

76 meets the requirements of the Community Reinvestment Act, 12 U.S.C. Sec. 2901 et seq.

77 ~~[(2)]~~ (3) (a) A member described in [~~Subsections (+)]~~ Subsection (2)(c), (d), [and] or

78 (e) shall serve for a term of two years.

79 (b) If a vacancy occurs for a member described in Subsection ~~[(+)]~~ (2)(c), (d), or (e),

80 the person appointing the member shall appoint a replacement to serve the remainder of the

81 member's term.

82 ~~[(3)]~~ (4) A member may not receive compensation or benefits for the member's service.

83 ~~[(4) Upon request, the Governor's Office of Management and Budget shall provide~~
 84 ~~staff support to the board.]~~

85 (5) The department shall provide staff support to the board.

86 ~~[(5)]~~ (6) (a) The board members shall elect a chair of the board from the board's

87 membership.

88 (b) The board shall meet upon the call of the chair or a majority of the board members.

89 (7) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, and subject to

90 Subsection (8), the board shall:

91 (a) select a program intermediary that:

92 (i) is a nonprofit entity; and

93 (ii) has experience:

94 (A) developing and executing contracts;

95 (B) structuring the terms and conditions of a pay for success program;

96 (C) coordinating the funding and management of a pay for success program; and

97 (D) raising private investment capital necessary to fund program services related to a

98 pay for success program; and

99 (b) enter into a contract with the program intermediary.

100 (8) The board may not enter into a contract described in Subsection (7) without the
101 consent of the department regarding:

102 (a) the program intermediary selected; and

103 (b) the terms of the contract.

104 (9) A contract described in Subsection (7)(b) shall:

105 (a) require the program intermediary to:

106 (i) seek out participants for results-based contracts;

107 (ii) advise the board on results-based contracts; and

108 (iii) make recommendations directly to the board on:

109 (A) when to enter a results-based contract; and

110 (B) the terms of a results-based contract; and

111 (b) include a provision that the program intermediary is not eligible to receive or view

112 personally identifiable student data of eligible students funded under the School Readiness

113 Initiative described in this part and Title 53F, Chapter 6, Part 3, School Readiness Initiative.

114 (10) In allocating funding, the board shall:

115 (a) give first priority to a results-based contract described in Subsection [53F-6-309\(3\)](#)

116 to fund a high quality school readiness program directly;

117 (b) give second priority to a results-based contract that includes an investor; and

118 (c) give third priority to a grant described in Section [53F-6-305](#).

119 (11) Other powers and duties of the board are described in Title 53F, Chapter 6, Part 3,
 120 School Readiness Initiative.

121 Section 2. Section **35A-3-210**, which is renumbered from Section 53F-9-402 is
 122 renumbered and amended to read:

123 ~~[53F-9-402].~~ **35A-3-210. School Readiness Restricted Account -- Creation**
 124 **-- Funding -- Distribution of funds.**

125 (1) The terms defined in Section **53F-6-301** apply to this section.

126 (2) There is created in the General Fund a restricted account known as the "School
 127 Readiness Restricted Account"~~[to fund:].~~

128 ~~[(a) the High Quality School Readiness Grant Program described in Section~~
 129 ~~53F-6-305; and]~~

130 ~~[(b) results-based school readiness contracts for eligible students to participate in:]~~

131 ~~[(i) a high quality preschool program described in:]~~

132 ~~[(A) Section 53F-6-306; or]~~

133 ~~[(B) Section 53F-6-307; or]~~

134 ~~[(ii) an eligible home-based educational technology program described in Section~~
 135 ~~53F-6-308.]~~

136 (3) The ~~[restricted account]~~ School Readiness Restricted Account consists of:

137 (a) money appropriated ~~[to the restricted account]~~ by the Legislature;

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

140 (c) federal grants; and

141 (d) private donations.

142 (4) Subject to legislative appropriations, money in the restricted account may be used
 143 ~~[for the following purposes]:~~

144 (a) to award ~~[grants]~~ a grant under the High Quality School Readiness Grant Program
 145 described in Section **53F-6-305**;

146 (b) to contract with ~~[an independent evaluator as required in Subsection 53F-6-309(3)]~~
 147 an evaluator;

148 ~~[(c) in accordance with Section 53F-6-309, to make payments to one or more private~~
 149 ~~entities that the board has entered into a results-based contract with if the independent~~

150 evaluator selected by the board determines that the performance-based results have been met;
151 and]

152 (c) to fund the participation of eligible students in a high quality school readiness
153 program through a results-based contract; and

154 (d) for administration costs and to monitor the programs described in [this part]
155 Section 35A-3-209 and Title 53F, Chapter 6, Part 3, School Readiness Initiative.

156 Section 3. Section **53E-4-314** is enacted to read:

157 **53E-4-314. School readiness assessment.**

158 (1) As used in this section:

159 (a) "School readiness assessment" means the preschool entry assessment described in
160 this section.

161 (b) "School readiness program" means a preschool program:

162 (i) in which a student participates in the year before the student is expected to enroll in
163 kindergarten; and

164 (ii) that receives funding under:

165 (A) Title 53F, Chapter 5, Part 3, High Quality School Readiness Program; or

166 (B) Title 53F, Chapter 6, Part 3, School Readiness Initiative.

167 (2) The State Board of Education shall develop a school readiness assessment that
168 aligns with the kindergarten entry and exit assessment described in Section 53F-4-205.

169 (3) A school readiness program shall:

170 (a) administer to each student who participates in a school readiness program:

171 (i) the school readiness assessment at the beginning of the student's participation in the
172 school readiness program; and

173 (ii) the kindergarten entry assessment described in Section 53F-4-205 at the end of the
174 student's participation in the school readiness program; and

175 (b) report the results of the assessments described in Subsection (3)(a) to:

176 (i) the State Board of Education; and

177 (ii) the Department of Workforce Services.

178 Section 4. Section **53E-9-301** is amended to read:

179 **53E-9-301. Definitions.**

180 As used in this part:

- 181 (1) "Adult student" means a student who:
182 (a) is at least 18 years old;
183 (b) is an emancipated student; or
184 (c) qualifies under the McKinney-Vento Homeless Education Assistance
185 Improvements Act of 2001, 42 U.S.C. Sec. 11431 et seq.
- 186 (2) "Aggregate data" means data that:
187 (a) are totaled and reported at the group, cohort, school, school district, region, or state
188 level with at least 10 individuals in the level;
189 (b) do not reveal personally identifiable student data; and
190 (c) are collected in accordance with board rule.
- 191 (3) (a) "Biometric identifier" means a:
192 (i) retina or iris scan;
193 (ii) fingerprint;
194 (iii) human biological sample used for valid scientific testing or screening; or
195 (iv) scan of hand or face geometry.
- 196 (b) "Biometric identifier" does not include:
197 (i) a writing sample;
198 (ii) a written signature;
199 (iii) a voiceprint;
200 (iv) a photograph;
201 (v) demographic data; or
202 (vi) a physical description, such as height, weight, hair color, or eye color.
- 203 (4) "Biometric information" means information, regardless of how the information is
204 collected, converted, stored, or shared:
205 (a) based on an individual's biometric identifier; and
206 (b) used to identify the individual.
- 207 (5) "Board" means the State Board of Education.
- 208 (6) "Cumulative disciplinary record" means disciplinary student data that is part of a
209 cumulative record.
- 210 (7) "Cumulative record" means physical or electronic information that the education
211 entity intends:

- 212 (a) to store in a centralized location for 12 months or more; and
213 (b) for the information to follow the student through the public education system.
214 (8) "Data authorization" means written authorization to collect or share a student's
215 student data, from:
216 (a) the student's parent, if the student is not an adult student; or
217 (b) the student, if the student is an adult student.
218 (9) "Data governance plan" means an education entity's comprehensive plan for
219 managing education data that:
220 (a) incorporates reasonable data industry best practices to maintain and protect student
221 data and other education-related data;
222 (b) provides for necessary technical assistance, training, support, and auditing;
223 (c) describes the process for sharing student data between an education entity and
224 another person;
225 (d) describes the process for an adult student or parent to request that data be
226 expunged; and
227 (e) is published annually and available on the education entity's website.
228 (10) "Education entity" means:
229 (a) the board;
230 (b) a local school board;
231 (c) a charter school governing board;
232 (d) a school district;
233 (e) a charter school;
234 (f) the Utah Schools for the Deaf and the Blind; or
235 (g) for purposes of implementing the School Readiness Initiative described in Title
236 53F, Chapter 6, Part 3, School Readiness Initiative, the School Readiness Board created in
237 Section [~~53F-6-302~~] [35A-3-209](#).
238 (11) "Expunge" means to seal or permanently delete data, as described in board rule
239 made under Section [53E-9-306](#).
240 (12) "External application" means a general audience:
241 (a) application;
242 (b) piece of software;

243 (c) website; or

244 (d) service.

245 (13) "Individualized education program" or "IEP" means a written statement:

246 (a) for a student with a disability; and

247 (b) that is developed, reviewed, and revised in accordance with the Individuals with
248 Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.

249 (14) "Internal application" means an Internet website, online service, online
250 application, mobile application, or software, if the Internet website, online service, online
251 application, mobile application, or software is subject to a third-party contractor's contract with
252 an education entity.

253 (15) "Local education agency" or "LEA" means:

254 (a) a school district;

255 (b) a charter school;

256 (c) the Utah Schools for the Deaf and the Blind; or

257 (d) for purposes of implementing the School Readiness Initiative described in Title
258 53F, Chapter 6, Part 3, School Readiness Initiative, the School Readiness Board created in
259 Section [~~53F-6-302~~] [35A-3-209](#).

260 (16) "Metadata dictionary" means a complete list of an education entity's student data
261 elements and other education-related data elements, that:

262 (a) defines and discloses all data collected, used, stored, and shared by the education
263 entity, including:

264 (i) who uses a data element within an education entity and how a data element is used
265 within an education entity;

266 (ii) if a data element is shared externally, who uses the data element externally and how
267 a data element is shared externally;

268 (iii) restrictions on the use of a data element; and

269 (iv) parent and student rights to a data element;

270 (b) designates student data elements as:

271 (i) necessary student data; or

272 (ii) optional student data;

273 (c) designates student data elements as required by state or federal law; and

274 (d) without disclosing student data or security information, is displayed on the
275 education entity's website.

276 (17) "Necessary student data" means data required by state statute or federal law to
277 conduct the regular activities of an education entity, including:

278 (a) name;

279 (b) date of birth;

280 (c) sex;

281 (d) parent contact information;

282 (e) custodial parent information;

283 (f) contact information;

284 (g) a student identification number;

285 (h) local, state, and national assessment results or an exception from taking a local,
286 state, or national assessment;

287 (i) courses taken and completed, credits earned, and other transcript information;

288 (j) course grades and grade point average;

289 (k) grade level and expected graduation date or graduation cohort;

290 (l) degree, diploma, credential attainment, and other school exit information;

291 (m) attendance and mobility;

292 (n) drop-out data;

293 (o) immunization record or an exception from an immunization record;

294 (p) race;

295 (q) ethnicity;

296 (r) tribal affiliation;

297 (s) remediation efforts;

298 (t) an exception from a vision screening required under Section [53G-9-404](#) or
299 information collected from a vision screening required under Section [53G-9-404](#);

300 (u) information related to the Utah Registry of Autism and Developmental Disabilities,
301 described in Section [26-7-4](#);

302 (v) student injury information;

303 (w) a cumulative disciplinary record created and maintained as described in Section
304 [53E-9-306](#);

- 305 (x) juvenile delinquency records;
- 306 (y) English language learner status; and
- 307 (z) child find and special education evaluation data related to initiation of an IEP.
- 308 (18) (a) "Optional student data" means student data that is not:
 - 309 (i) necessary student data; or
 - 310 (ii) student data that an education entity may not collect under Section [53E-9-305](#).
- 311 (b) "Optional student data" includes:
 - 312 (i) information that is:
 - 313 (A) related to an IEP or needed to provide special needs services; and
 - 314 (B) not necessary student data;
 - 315 (ii) biometric information; and
 - 316 (iii) information that is not necessary student data and that is required for a student to
 - 317 participate in a federal or other program.
- 318 (19) "Parent" means a student's parent or legal guardian.
- 319 (20) (a) "Personally identifiable student data" means student data that identifies or is
- 320 used by the holder to identify a student.
 - 321 (b) "Personally identifiable student data" includes:
 - 322 (i) a student's first and last name;
 - 323 (ii) the first and last name of a student's family member;
 - 324 (iii) a student's or a student's family's home or physical address;
 - 325 (iv) a student's email address or other online contact information;
 - 326 (v) a student's telephone number;
 - 327 (vi) a student's social security number;
 - 328 (vii) a student's biometric identifier;
 - 329 (viii) a student's health or disability data;
 - 330 (ix) a student's education entity student identification number;
 - 331 (x) a student's social media user name and password or alias;
 - 332 (xi) if associated with personally identifiable student data, the student's persistent
 - 333 identifier, including:
 - 334 (A) a customer number held in a cookie; or
 - 335 (B) a processor serial number;

336 (xii) a combination of a student's last name or photograph with other information that
337 together permits a person to contact the student online;

338 (xiii) information about a student or a student's family that a person collects online and
339 combines with other personally identifiable student data to identify the student; and

340 (xiv) other information that is linked to a specific student that would allow a
341 reasonable person in the school community, who does not have first-hand knowledge of the
342 student, to identify the student with reasonable certainty.

343 (21) "School official" means an employee or agent of an education entity, if the
344 education entity has authorized the employee or agent to request or receive student data on
345 behalf of the education entity.

346 (22) (a) "Student data" means information about a student at the individual student
347 level.

348 (b) "Student data" does not include aggregate or de-identified data.

349 (23) "Student data disclosure statement" means a student data disclosure statement
350 described in Section [53E-9-305](#).

351 (24) "Student data manager" means:

352 (a) the state student data officer; or

353 (b) an individual designated as a student data manager by an education entity under
354 Section [53E-9-303](#).

355 (25) (a) "Targeted advertising" means presenting advertisements to a student where the
356 advertisement is selected based on information obtained or inferred over time from that
357 student's online behavior, usage of applications, or student data.

358 (b) "Targeted advertising" does not include advertising to a student:

359 (i) at an online location based upon that student's current visit to that location; or

360 (ii) in response to that student's request for information or feedback, without retention
361 of that student's online activities or requests over time for the purpose of targeting subsequent
362 ads.

363 (26) "Third-party contractor" means a person who:

364 (a) is not an education entity; and

365 (b) pursuant to a contract with an education entity, collects or receives student data in
366 order to provide a product or service, as described in the contract, if the product or service is

367 not related to school photography, yearbooks, graduation announcements, or a similar product
368 or service.

369 Section 5. Section **53F-6-301** is amended to read:

370 **53F-6-301. Definitions.**

371 As used in this part:

372 (1) "Board" means the School Readiness Board, created in Section [~~53F-6-302~~]
373 [35A-3-209](#).

374 (2) "Economically disadvantaged" means [~~a student who:~~] to be eligible to receive free
375 or reduced price lunch.

376 [~~(a) is eligible to receive free lunch;~~]

377 [~~(b) is eligible to receive reduced price lunch; or~~]

378 [~~(c) (i) is not otherwise accounted for in Subsection (2)(a) or (b); and~~]

379 [~~(ii) (A) is enrolled in a Provision 2 or Provision 3 school, as defined by the United~~
380 ~~States Department of Agriculture;~~]

381 [~~(B) has a Declaration of Household Income on file;~~]

382 [~~(C) is eligible for a fee waiver; or~~]

383 [~~(D) is enrolled at a school that does not offer a lunch program and is a sibling of a~~
384 ~~student accounted for in Subsection (2)(a) or (b).]~~

385 (3) "Eligible home-based educational technology provider" means a provider that
386 intends to offer a home-based educational technology program.

387 (4) "Eligible LEA" means an LEA that has a data system capacity to collect
388 longitudinal academic outcome data, including special education use by student, by identifying
389 each student with a statewide unique student identifier.

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

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

393 (B) is exempt from licensure under Section [26-39-403](#); and

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

396 (b) "Eligible private provider" does not include residential child care, as defined in
397 Section [26-39-102](#).

398 (6) "Eligible student" means a student:
399 (a) who is economically disadvantaged[-]; and
400 (b) whose parent or legal guardian reports that the student has experienced at least one
401 risk factor.

402 (7) "Evaluator" means an independent evaluator selected in accordance with Section
403 53F-3-309.

404 (8) "High quality school readiness program" means a preschool program that:
405 (a) is provided by an eligible LEA, eligible private provider, or eligible home-based
406 educational technology provider; and

407 (b) meets the elements of a high quality school readiness program described in Section
408 53F-6-304.

409 (9) "Investor" means a person that enters into a results-based contract to provide
410 funding to a high quality school readiness program on the condition that the person will receive
411 payment in accordance with Section 53F-6-309 if the high quality school readiness program
412 meets the performance outcome measures included in the results-based contract.

413 [(7)] (10) "Local Education Agency" or "LEA" means a school district or charter
414 school.

415 (11) "Pay for success program" means a program funded through a model in which the
416 program is initially funded through private funding and the entity providing the private funding
417 receives repayment through public funding if the program achieves certain outcomes.

418 [(8)] (12) "Performance outcome measure" means a cost avoidance in special education
419 use for a student at-risk for later special education placement in kindergarten through grade 12
420 who receives preschool education funded pursuant to a results-based [school readiness]
421 contract.

422 [(9) (a) "Private entity" means a private investor or investors that enter into a
423 results-based school readiness contract.]

424 [(b) "Private entity" includes an authorized representative of the private investor or
425 investors.]

426 (13) "Program intermediary" means an entity selected by the board under Section
427 35A-3-209 to coordinate with the Department of Workforce Services to provide program
428 support to the board.

429 ~~[(10)]~~ (14) "Results-based ~~[school readiness]~~ contract" means a contract ~~[entered into~~
 430 ~~by the board, a private entity, and a provider of early childhood education that may result in~~
 431 ~~repayment to a private entity if certain performance outcome measures are achieved.]~~ that:

432 (a) is entered into in accordance with Section 53F-3-309;

433 (b) includes a performance outcome measure; and

434 (c) is between:

435 (i) the board, a provider of a high quality school readiness program, and an investor; or

436 (ii) the board and a provider of a high quality school readiness program.

437 (15) "Risk factor" means:

438 (a) having a mother who was 18 years old or younger when the child was born;

439 (b) a member of a child's household is incarcerated;

440 (c) living in a neighborhood with high violence or crime;

441 (d) having one or both parents with a low reading ability;

442 (e) moving at least once in the past year;

443 (f) having ever been in foster care;

444 (g) living with multiple families in the same household;

445 (h) having exposure in a child's home to:

446 (i) physical abuse or domestic violence;

447 (ii) substance abuse;

448 (iii) the death or chronic illness of a parent or sibling; or

449 (iv) mental illness;

450 (i) the primary language spoken in a child's home is a language other than English; or

451 (j) having at least one parent who has not completed high school.

452 ~~[(11)]~~ (16) "Student at-risk for later special education placement" means ~~[a preschool]~~
 453 an eligible student who, at preschool entry, scores [at or below] at least two standard deviations
 454 below the mean on the assessment selected by the board under Section 53F-6-309.

455 Section 6. Section **53F-6-303** is amended to read:

456 **53F-6-303. School Readiness Restricted Account.**

457 As described in Section ~~[53F-9-402]~~ 35A-3-210, the School Readiness Restricted
 458 Account provides funding for this part.

459 Section 7. Section **53F-6-305** is amended to read:

460 **53F-6-305. High Quality School Readiness Grant Program.**

461 (1) The High Quality School Readiness Grant Program is created to provide grants to
462 the following, in order to upgrade an existing preschool or home-based educational technology
463 program to a high quality school readiness program:

- 464 (a) an eligible private provider;
- 465 (b) an eligible LEA; or
- 466 (c) an eligible home-based educational technology provider.

467 (2) The State Board of Education shall:

- 468 (a) solicit proposals from eligible LEAs; and
- 469 (b) make recommendations to the board to award grants to respondents based on
470 criteria described in Subsection (5).

471 (3) The Department of Workforce Services shall:

- 472 (a) solicit proposals from eligible private providers and eligible home-based
473 educational technology providers; and
- 474 (b) make recommendations to the board to award grants to respondents based on
475 criteria described in Subsection (5).

476 (4) Subject to legislative appropriations, and the prioritization described in Section
477 35A-3-209, the board shall award grants to respondents based on:

- 478 (a) the recommendations of the State Board of Education;
- 479 (b) the recommendations of the Department of Workforce Services; and
- 480 (c) the criteria described in Subsection (5).

481 (5) (a) In awarding a grant under Subsection (4), the State Board of Education,
482 Department of Workforce Services, and the board shall consider:

- 483 (i) a respondent's capacity to effectively implement the components described in
484 Section 53F-6-304;
- 485 (ii) the percentage of a respondent's students who are [~~economically disadvantaged~~]
486 eligible students; and
- 487 (iii) the level of administrative support and leadership at a respondent's program to
488 effectively implement, monitor, and evaluate the program.

489 (b) The board may not award a grant to an LEA without obtaining approval from the
490 State Board of Education to award the grant to the LEA.

491 (6) To receive a grant under this section, a respondent that is an eligible LEA shall
492 submit a proposal to the State Board of Education detailing:

493 (a) the respondent's strategy to implement the high quality components described in
494 ~~[Subsection 53F-6-304(1)]~~ Section 53F-6-304;

495 (b) the number of students the respondent plans to serve, categorized by age and
496 ~~[economically disadvantaged status]~~ whether the students are eligible students;

497 (c) the number of high quality ~~[preschool]~~ school readiness program classrooms the
498 respondent plans to operate; and

499 (d) the estimated cost per student.

500 (7) To receive a grant under this section, a respondent that is an eligible private
501 provider or an eligible home-based educational technology provider shall submit a proposal to
502 the Department of Workforce Services detailing:

503 (a) the respondent's strategy to implement the high quality components described in
504 Section 53F-6-304;

505 (b) the number of students the respondent plans to serve, categorized by age and
506 ~~[economically disadvantaged status]~~ whether the students are eligible students;

507 (c) for a respondent that is an eligible private provider, the number of high quality
508 ~~[preschool]~~ school readiness program classrooms the respondent plans to operate; and

509 (d) the estimated cost per student.

510 ~~[(8) All recipients of grants]~~

511 (8) (a) A recipient of a grant under this section shall ~~[establish a preschool or~~
512 ~~home-based educational technology program with the]~~ use the grant to move the recipient's
513 preschool program toward achieving the components described in Section 53F-6-304.

514 (b) A recipient of a grant under this section may not enter into a results-based contract
515 while the recipient receives the grant.

516 (9) (a) A grant recipient shall allow classroom or other visits by an ~~[independent~~
517 ~~evaluator chosen by the board in accordance with Section 53F-6-309]~~ evaluator.

518 (b) The ~~[independent]~~ evaluator shall:

519 (i) determine whether a grant recipient has effectively implemented the components
520 described in Section 53F-6-304; and

521 (ii) report the ~~[independent]~~ evaluator's findings to the board.

522 ~~[(10) (a) A grant recipient that is an eligible LEA shall assign a statewide unique~~
523 ~~student identifier to each eligible student funded pursuant to a grant received under this~~
524 ~~section.]~~

525 ~~[(b) A grant recipient that is an eligible private provider or an eligible home-based~~
526 ~~educational technology provider shall work in conjunction with the State Board of Education to~~
527 ~~assign a statewide unique student identifier to each eligible student funded pursuant to a grant~~
528 ~~received under this section.]~~

529 (10) A recipient of a grant under this section shall ensure that each student who is
530 enrolled in a classroom or who uses a home-based educational technology program supported
531 by the grant has a unique student identifier by:

532 (a) if the recipient is an eligible LEA, assigning a unique student identifier to each
533 student enrolled in the classroom; or

534 (b) if the recipient is an eligible private provider or eligible home-based educational
535 technology provider, working with the State Board of Education to assign a unique student
536 identifier to each student enrolled in the classroom or who uses the home-based educational
537 technology program.

538 (11) A grant recipient that is an LEA shall report annually to the board and the State
539 Board of Education the following:

540 (a) number of students served by the preschool, ~~[reported by economically~~
541 ~~disadvantaged status]~~ including the number of students who are eligible students;

542 (b) attendance;

543 (c) cost per student; and

544 (d) assessment results.

545 (12) A grant recipient that is an eligible private provider or an eligible home-based
546 educational technology provider shall report annually to the board and the Department of
547 Workforce Services the following:

548 (a) number of students served by the preschool or program, ~~[reported by economically~~
549 ~~disadvantaged status]~~ including the number of students who are eligible students;

550 (b) attendance;

551 (c) cost per student; and

552 (d) assessment results.

553 (13) The State Board of Education and the Department of Workforce Services shall
554 make rules to effectively administer and monitor the [~~High Quality School Readiness Grant~~
555 ~~Program~~] grant program described in this section, including:

556 (a) requiring grant recipients to use the pre- and post-assessment selected by the board
557 in accordance with Section [53F-6-309](#); and

558 (b) establishing reporting requirements for grant recipients.

559 (14) At the request of the board, the State Board of Education and the Department of
560 Workforce Services shall annually share the information received from grant recipients
561 described in Subsections (11) and (12) with the board.

562 Section 8. Section **53F-6-306** is repealed and reenacted to read:

563 **53F-6-306. Requirements for a school readiness program to receive funding**
564 **through a results-based contract.**

565 (1) As used in this section:

566 (a) "Participating program operator" means an eligible LEA, an eligible private
567 provider, or an eligible home-based educational technology provider, that is a party to a
568 results-based contract.

569 (b) "Program" means a school readiness program funded through a results-based
570 contract.

571 (2) (a) Subject to the requirements of this part, an eligible LEA, an eligible private
572 provider, or an eligible home-based educational technology provider that operates a high
573 quality school readiness program may enter into and receive funding through a results-based
574 contract.

575 (b) An eligible LEA, an eligible private provider, or an eligible home-based
576 educational technology provider may not enter into a results-based contract while receiving a
577 grant under Section [53F-6-305](#).

578 (3) A participating program operator shall ensure that each student who is enrolled in a
579 classroom, or who uses a home-based educational technology, that is part of a participating
580 program operator's program has a unique student identifier by:

581 (a) if the participating program operator is an eligible LEA, assigning a unique student
582 identifier to each student enrolled in the classroom; or

583 (b) if the participating program operator is an eligible private provider or eligible

584 home-based technology provider, working with the State Board of Education to assign a unique
585 student identifier to each student enrolled in the classroom or who uses the home-based
586 educational technology.

587 (4) A participating program operator may not use funds received through a
588 results-based contract to supplant funds for an existing high quality school readiness program,
589 but may use the funds to supplement an existing high quality school readiness program.

590 (5) (a) If not prohibited by the Elementary and Secondary Education Act of 1965, 20
591 U.S.C. Secs. 6301-6576, a participating program operator may charge a sliding scale fee, based
592 on household income, to a student enrolled in the participating program operator's program.

593 (b) A participating program operator may use grants, scholarships, or other money to
594 help fund the program.

595 (6) A participating program operator shall:

596 (a) select an evaluator to annually evaluate:

597 (i) the results of the pre- and post-assessment described in Section [53F-6-309](#) for each
598 eligible student funded through a results-based contract;

599 (ii) performance on the performance outcome measure as described in Section
600 [53F-6-309](#); and

601 (iii) for a participating program operator that is a home-based educational technology
602 provider, whether the home-based educational technology is being used with fidelity; and

603 (b) allow classroom visits to ensure the program meets the requirements described in
604 this part by:

605 (i) the evaluator;

606 (ii) the program intermediary;

607 (iii) the investor, if applicable;

608 (iv) the State Board of Education; and

609 (v) the Department of Workforce Services.

610 (7) (a) A participating program operator that is an eligible LEA may contract with an
611 eligible private provider to provide a high quality school readiness program to a portion of the
612 LEA's eligible students if:

613 (i) the results-based contract specifies the number of students to be served by the
614 eligible private provider;

615 (ii) the eligible private provider meets the requirements described in this section for a
 616 participating program operator;

617 (iii) the eligible private provider reports the information described in Section
 618 53F-6-310 to the board and the contracting eligible LEA; and

619 (iv) the contractual partnership is consistent with Utah Constitution, Article X, Section
 620 1.

621 (b) An eligible LEA that contracts with an eligible private provider shall provide
 622 supportive services to the eligible private provider, which may include:

623 (i) professional development;

624 (ii) staffing or staff support;

625 (iii) materials; or

626 (iv) assessments.

627 Section 9. Section **53F-6-309** is amended to read:

628 **53F-6-309. Results-based contracts -- Assessment selection -- Independent**
 629 **evaluators.**

630 ~~[(1)(a) The board may negotiate and enter into a results-based contract with a private~~
 631 ~~entity, selected through a competitive process, to fund:]~~

632 ~~[(i) a high quality preschool program described in Section 53F-6-306;]~~

633 ~~[(ii) a high quality preschool program described in Section 53F-6-307; or]~~

634 ~~[(iii) a home-based education technology program described in Section 53F-6-308.]~~

635 ~~[(b) The board may not issue a results-based contract if the total outstanding~~
 636 ~~obligations of results-based contracts issued by the board under this part would exceed~~
 637 ~~\$15,000,000 at any one time.]~~

638 (1) The board may enter into a results-based contract to fund participation of eligible
 639 students in a high quality school readiness program in accordance with Section 35A-3-209 and
 640 this part.

641 (2) (a) Except as provided in Subsection (3), the board shall include an investor as a
 642 party to a results-based contract.

643 ~~[(c)]~~ (b) The board may provide for a repayment to [a private entity] an investor to
 644 include a return of investment and an additional return on investment, dependent on
 645 achievement of [specific] the performance outcome measures set in the results-based contract.

646 ~~[(d)]~~ (c) The additional return on investment described in Subsection ~~[(1)(e)]~~ (2)(b)
647 may not exceed 5% above the current Municipal Market Data General Obligation Bond AAA
648 scale for a 10 year maturity at the time of the issuance of the results-based ~~[school readiness]~~
649 contract.

650 ~~[(e)]~~ (d) Funding obtained for an early education program ~~[under this part]~~ through a
651 results-based contract that includes an investor is not a procurement item under Section
652 63G-6a-103.

653 ~~[(2)]~~ (e) ~~[A contract]~~ A results-based contract that includes an investor shall include:

654 ~~[(a)]~~ (i) a requirement that the repayment to the ~~[private entity]~~ investor be conditioned
655 on ~~[specific]~~ achieving the performance outcome measures set in the results-based contract;

656 ~~[(b)]~~ (ii) a requirement for an ~~[independent]~~ evaluator to determine whether the
657 performance ~~[outcomes]~~ outcome measures have been achieved;

658 ~~[(c)]~~ (iii) a provision that repayment to the ~~[private entity]~~ investor is:

659 ~~[(1)]~~ (A) based upon available money in the School Readiness Restricted Account
660 described in Section 35A-3-210; and

661 ~~[(1)]~~ (B) subject to legislative ~~[appropriation]~~ appropriations; and

662 ~~[(d)]~~ (iv) a provision that the ~~[private entity]~~ investor is not eligible to receive or view
663 ~~[any]~~ personally identifiable student data of students funded through ~~[a]~~ the results-based
664 contract.

665 (f) The board may not issue a results-based contract that includes an investor as a party
666 to the contract if the total outstanding obligations of results-based contracts that include an
667 investor as a party to the contract would exceed \$15,000,000 at any one time.

668 (3) (a) The board may enter into a results-based contract to directly fund a high quality
669 school readiness program that has at least four years of data for at least one cohort of students
670 showing that the high quality school readiness program has met a performance outcome
671 measure.

672 (b) A results-based contract described in Subsection (3)(a):

673 (i) does not require an investor; and

674 (ii) shall include a provision that:

675 (A) requires that in order to continue receiving funding, the high quality school
676 readiness program continue to meet a performance outcome measure; and

677 (B) provides an improvement time frame during which the high quality school
 678 readiness program may continue to receive funding if the high quality school readiness
 679 program fails to continue to meet the performance outcome measure.

680 ~~[(3) The board shall select an independent, nationally recognized early childhood~~
 681 ~~education evaluator, selected through a request for proposals process, to annually evaluate:]~~

682 ~~[(a) performance outcome measures set in a results-based contract of the board; and]~~

683 ~~[(b) a High Quality School Readiness Grant Program recipient's program.]~~

684 (4) The board shall select a uniform assessment of age-appropriate cognitive or
 685 language skills that:

686 (a) is nationally norm-referenced;

687 (b) has established reliability;

688 (c) has established validity with other similar measures and with later school outcomes;

689 and

690 (d) has strong psychometric characteristics.

691 (5) (a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the board
 692 shall select at least three independent evaluators with experience in:

693 (i) evaluating school readiness programs; and

694 (ii) administering the assessment selected under Subsection (4).

695 (b) An eligible LEA, eligible private provider, or eligible home-based educational
 696 technology provider that has a results-based contract shall select one of the evaluators
 697 described in Subsection (5)(a) to conduct an evaluation described in Section [53F-6-306](#).

698 (c) The board shall select one of the evaluators described in Subsection (5)(a) to
 699 conduct an evaluation described in Section [53F-6-305](#).

700 ~~[(5)]~~ (6) (a) At the end of each year of a results-based contract after a student funded
 701 through a results-based contract completes kindergarten, the independent evaluator described in
 702 Subsection (5)(b) shall determine whether the performance outcome measures set in the
 703 results-based contract have been met.

704 ~~[(b) If the independent evaluator determines under Subsection (5)(a) that the~~
 705 ~~performance outcome measures have been met, the board may pay the private entity according~~
 706 ~~to the terms of the results-based contract.]~~

707 (b) The board may not pay an investor unless the evaluation described in Subsection

708 (6)(a) determines that the performance outcome measures in the results-based contract have
 709 been met.

710 ~~[(6)]~~ (7) (a) The board shall ensure that a parent or guardian of an eligible student
 711 participating in a program funded ~~[pursuant to]~~ through a results-based contract has given
 712 permission and signed an acknowledgment that the student's data may be shared with an
 713 independent evaluator for research and evaluation purposes, subject to federal law.

714 (b) The board shall maintain documentation of parental permission required in
 715 Subsection ~~[(6)(a)]~~ (7)(a).

716 Section 10. Section **53F-6-310** is amended to read:

717 **53F-6-310. Reporting requirements for a recipient of funding through a**
 718 **results-based contract -- Reporting to the Legislature.**

719 (1) An eligible LEA, eligible private provider, or eligible home-based educational
 720 technology provider that receives funds ~~[pursuant to]~~ through a results-based contract ~~[under~~
 721 ~~this part]~~ shall report annually to the board the following de-identified information for eligible
 722 students funded in whole or in part ~~[pursuant to a]~~ through the results-based contract:

723 (a) the number of eligible students served by the [recipient's preschool or home-based
 724 educational technology program] high quality school readiness program, reported by
 725 economically disadvantaged status ~~[and]~~, English language learner status, and the number of
 726 risk factors reported for each eligible student;

727 (b) attendance;

728 (c) cost per eligible student;

729 (d) assessment results of the pre- and post-assessments ~~[selected by the board; and]~~
 730 described in Section 53F-6-309;

731 (e) results of the assessments described in Section 53E-4-314; and

732 (f) for an eligible home-based educational technology provider, the average time, and
 733 range of time usage, that an eligible student who does not attend another preschool program
 734 spends using the home-based educational technology program per week.

735 ~~[(e)]~~ (2) The State Board of Education shall annually share with the board aggregated
 736 longitudinal data on eligible students currently [receiving funding] funded under this part and
 737 any eligible students who previously [received funding] funded under this part, including:

738 ~~[(i)]~~ (a) academic achievement outcomes;

739 [(ii)] (b) special education use; [~~and~~]
 740 [(iii)] (c) English language learner services[-]; and
 741 (d) scores on the kindergarten entry and exit assessment described in Section
 742 53F-4-205.

743 [(2)] (3) For each year of a results-based contract, the board shall report to the
 744 Education Interim Committee [~~the following~~] and the Economic Development and Workforce
 745 Services Interim Committee:

746 (a) information [~~collected under~~] described in Subsection (1) for each participating
 747 LEA, private provider, and home-based educational technology provider; [~~and~~]

748 (b) the data described in Subsection (2); and

749 [(b)] (c) the terms of [the] each results-based contract, including, as applicable:

750 (i) the name of [~~each private entity~~] the investor and funding source;

751 (ii) the amount of money each [~~private entity~~] investor has invested;

752 (iii) the performance outcome measures set in the results-based contract by which
 753 repayment [~~will be~~] is determined; and

754 (iv) the repayment schedule to the [~~private entity~~] investor if the performance
 755 [~~outcomes are~~] outcome measures are met.

756 Section 11. Section **63J-1-602.2** is amended to read:

757 **63J-1-602.2. List of nonlapsing funds and accounts -- Title 31 through Title 45.**

758 (1) Appropriations from the Technology Development Restricted Account created in
 759 Section 31A-3-104.

760 (2) Appropriations from the Criminal Background Check Restricted Account created in
 761 Section 31A-3-105.

762 (3) Appropriations from the Captive Insurance Restricted Account created in Section
 763 31A-3-304, except to the extent that Section 31A-3-304 makes the money received under that
 764 section free revenue.

765 (4) Appropriations from the Title Licensee Enforcement Restricted Account created in
 766 Section 31A-23a-415.

767 (5) Appropriations from the Health Insurance Actuarial Review Restricted Account
 768 created in Section 31A-30-115.

769 (6) Appropriations from the Insurance Fraud Investigation Restricted Account created

770 in Section [31A-31-108](#).

771 (7) Appropriations from the Underage Drinking Prevention Media and Education
772 Campaign Restricted Account created in Section [32B-2-306](#).

773 (8) The School Readiness Restricted Account created in Section [35A-3-210](#).

774 [~~(8)~~] (9) Funding for the General Assistance program administered by the Department
775 of Workforce Services, as provided in Section [35A-3-401](#).

776 [~~(9)~~] (10) The Youth Development Organization Restricted Account created in Section
777 [35A-8-1903](#).

778 [~~(10)~~] (11) The Youth Character Organization Restricted Account created in Section
779 [35A-8-2003](#).

780 (12) Money received by the Utah State Office of Rehabilitation for the sale of certain
781 products or services, as provided in Section [35A-13-202](#).

782 [~~(11)~~] (13) Funding for a new program or agency that is designated as nonlapsing under
783 Section [36-24-101](#).

784 [~~(12)~~] (14) Appropriations to the Utah National Guard, created in Title 39, Militia and
785 Armories.

786 [~~(13)~~] (15) Appropriations from the Oil and Gas Conservation Account created in
787 Section [40-6-14.5](#).

788 [~~(14)~~] (16) Appropriations from the Electronic Payment Fee Restricted Account
789 created by Section [41-1a-121](#) to the Motor Vehicle Division.

790 [~~(15)~~] (17) Funds available to the Tax Commission under Section [41-1a-1201](#) for the:
791 (a) purchase and distribution of license plates and decals; and
792 (b) administration and enforcement of motor vehicle registration requirements.

793 [~~(16)~~] (18) Appropriations from the Motor Vehicle Enforcement Division Temporary
794 Permit Restricted Account created by Section [41-3-110](#) to the Tax Commission.

795 Section 12. Section **63J-1-602.3** is amended to read:

796 **63J-1-602.3. List of nonlapsing funds and accounts -- Title 46 through Title 60.**

797 (1) The Utah Law Enforcement Memorial Support Restricted Account created in
798 Section [53-1-120](#).

799 (2) Funding for the Search and Rescue Financial Assistance Program, as provided in
800 Section [53-2a-1102](#).

- 801 (3) Appropriations made to the Division of Emergency Management from the State
802 Disaster Recovery Restricted Account, as provided in Section [53-2a-603](#).
- 803 (4) Appropriations made to the Department of Public Safety from the Department of
804 Public Safety Restricted Account, as provided in Section [53-3-106](#).
- 805 (5) Appropriations to the Motorcycle Rider Education Program, as provided in Section
806 [53-3-905](#).
- 807 (6) Appropriations from the Utah Highway Patrol Aero Bureau Restricted Account
808 created in Section [53-8-303](#).
- 809 (7) Appropriations from the DNA Specimen Restricted Account created in Section
810 [53-10-407](#).
- 811 (8) The Canine Body Armor Restricted Account created in Section [53-16-201](#).
812 [~~(9) The School Readiness Restricted Account created in Section [53A-1b-104](#).~~]
813 [~~(10) Appropriations to the State Board of Education, as provided in Section~~
814 ~~[53A-17a-105](#).~~]
815 [~~(11) Money received by the Utah State Office of Rehabilitation for the sale of certain~~
816 ~~products or services, as provided in Section [35A-13-202](#).~~]
817 [~~(12)~~ (9) Certain funds appropriated from the General Fund to the State Board of
818 Regents for teacher preparation programs, as provided in Section [53B-6-104](#).
819 [~~(13)~~ (10) Funding for the Medical Education Program administered by the Medical
820 Education Council, as provided in Section [53B-24-202](#).
821 [~~(14)~~ (11) A certain portion of money collected for administrative costs under the
822 School Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).
823 (12) Appropriations to the State Board of Education, as provided in Section [53F-2-205](#).
824 [~~(15)~~ (13) Subject to Subsection [54-5-1.5\(4\)\(d\)](#), appropriations from the Public Utility
825 Regulatory Restricted Account created in Section [54-5-1.5](#).
826 [~~(16)~~ (14) Certain fines collected by the Division of Occupational and Professional
827 Licensing for violation of unlawful or unprofessional conduct that are used for education and
828 enforcement purposes, as provided in Section [58-17b-505](#).
829 [~~(17)~~ (15) Certain fines collected by the Division of Occupational and Professional
830 Licensing for use in education and enforcement of the Security Personnel Licensing Act, as
831 provided in Section [58-63-103](#).

832 [~~(18)~~] (16) Appropriations from the Relative Value Study Restricted Account created
833 in Section 59-9-105.

834 [~~(19)~~] (17) The Cigarette Tax Restricted Account created in Section 59-14-204.

835 Section 13. **Repealer.**

836 This bill repeals:

837 Section **53F-6-307, High quality preschool programs for eligible private providers.**

838 Section **53F-6-308, Home-based educational technology for school readiness.**

839 Section 14. **Effective date.**

840 This bill takes effect on July 1, 2018.