



HOUSE OF REPRESENTATIVES

HB 2668

results-based school-readiness contracts

Sponsors: Representatives Bolding, Coleman

DP Committee on Education
X Committee on Appropriations
Caucus and COW

House Engrossed

OVERVIEW

HB 2668 establishes the Arizona High Quality School Readiness Program.

HISTORY

HB 2668 allows students at risk of needing special education in kindergarten or grades one through six to enter into a High Quality School Readiness Program to prepare for elementary school. The program would be funded by private investors that would see a return on their investments should the program prevent students from entering special education and costing the state additional money. If a program does not produce results, the investor would assume all costs.

PROVISIONS

School Readiness Board (Board)

1. Establishes the Board in the Governor's Office of Strategic Planning and Budgeting (OSP), consisting of each of the following members:
 - a. The presiding officer of the State Board of Education (SBE) or his/her designee.
 - b. The President of the State Board of Charter Schools or his/her designee.
 - c. One member of the Education Committee of the House of Representatives, appointed by the Speaker of the House of Representatives.
 - d. One member of the Education Committee of the State Senate, appointed by the President of the Senate who is of a different political party than the designee appointed by the Speaker of the House of Representatives.
 - e. One early childhood educator, appointed by the Governor.
 - f. One representative of the business community, appointed by the Governor.
 - g. One member with expertise in early childhood education, appointed by the Governor.
 - h. The parent of a child enrolled in a public school in this state, appointed by the Governor.
2. Prohibits any individual from Board membership that is an officer or employee of or has any financial interest in any provider that receives a school readiness grant.
3. Specifies that appointed Board members serve a two-year term.
4. Specifies that, in the event of a vacancy for an appointed member, the individual that appointed the member must appoint a replacement to serve the remainder of the term.
5. States that members of the Board are not entitled to compensation.
6. Requires OSPB to provide staff support to the Board, upon request.

HB 2668

7. Requires the members of the Board to elect a chairperson among themselves.
8. Directs the Board to meet at the call of the chairperson or a majority of the members.
9. Sunsets the Board on July 1, 2023.

School Readiness Fund (Fund)

10. Establishes the Fund consisting of appropriations, federal grants, private donations and interest earned on monies deposited into the Fund.
11. Designates OSPB as the administrator of the Fund.
12. Specifies that monies in the Fund are subject to legislative appropriation.
13. Requires monies in the Fund to be distributed by OSPB for the following purposes:
 - a. To fund or award grants under the High Quality School Readiness Grant Program.
 - b. To fund results-based school-readiness contracts for eligible students to participate in:
 - i. A high quality preschool program; or
 - ii. An eligible home-based educational technology (HBET) program.
 - c. To contract with an independent evaluator.
 - d. To make payments to private entities that the Board has entered into a results-based contract with, if the independent evaluator determines that the performance-based results have been met.
 - e. For administration costs.

High Quality School Readiness Program (Program)

14. Permits the Program, to be operated by an eligible local education agency (LEA) or private provider.
15. Requires the Program to include the following components:
 - a. An evidence-based curriculum, aligned with applicable state standards, that incorporates intentional and differentiated instruction in whole-group, small-group and child-directed learning, including the following academic content areas:
 - i. Oral language and listening comprehension.
 - ii. Phonological awareness and pre-reading.
 - iii. Alphabet and word knowledge.
 - iv. Pre-writing
 - v. Book knowledge and print awareness.
 - vi. Numeracy
 - vii. Creative arts.
 - viii. Science and technology.
 - ix. Social studies.
 - x. Health and safety.
 - b. Ongoing, focused and intensive professional development for staff who participate in the Program.
 - c. Ongoing assessment of a student's educational growth and developmental progress to inform instruction.
 - d. A pre-assessment and post-assessment of each student, to be selected by the Board.
 - e. Ongoing program evaluation and data collection to monitor program goal achievement and implementation of required program components.
 - f. Family engagement, including:
 - i. Ongoing communication between home and school; and

- ii. Parent education opportunities based on each family's circumstances.
- 16. Limits the class size for a high quality preschool program run by an LEA, to 20 students, with at least 1 adult for every 10 students.
- 17. Requires each teacher working with an LEA preschool program to obtain at least a child development associate certification or an Associate or Bachelor's Degree in an early childhood education related field.
- 18. Requires each teacher working with a preschool program operated by a private provider to obtain at least a child development associate certification or an Associate or Bachelor's Degree in an early childhood education related field by the teacher's second year.
- 19. Stipulates that a Program operated by a HBET provider must:
 - a. Be an evidence-based and age appropriate individualized interactive instruction assessment and feedback technology program that teaches eligible students early learning skills needed to be successful to enroll in a kindergarten program.
 - b. Require regular parental engagement with the student in the program.
 - c. Be aligned with applicable state standards.
 - d. Require the administration of the pre-assessment and post-assessment of each student.
 - e. Require technology providers to ensure successful implementation and utilization of the technology program.

School Readiness Grant Program

- 20. Establishes school readiness grants to upgrade an existing preschool or HBET program to a Program for an eligible private provider, LEA or HBET provider.
- 21. Requires SBE to solicit proposals from eligible LEA's and make recommendations to the Board to award grants to respondents.
- 22. Requires the Board to select a community organization to solicit proposals from eligible private providers and HBET providers and make recommendations to the Board to award grants to respondents.
- 23. Directs the Board to award grants based on the recommendations of SBE and the community organization selected by the Board, if sufficient monies are appropriated.
- 24. Requires SBE, community organizations and the Board to consider all of the following when awarding grants:
 - a. A respondent's capacity to effectively implement the Program required components.
 - b. The percentage of a respondent's students who are economically disadvantaged.
 - c. The level of administrative support and leadership at a respondent's program to effectively implement, monitor and evaluate the Program.
- 25. Prohibits the Board from awarding a grant to an eligible LEA without obtaining approval from SBE.
- 26. Requires an LEA respondent to submit a proposal to SBE that details all of the following:
 - a. The respondent's strategy to implement the components required of the Program.
 - b. The number of students the respondent plans to serve, categorized by age and economically disadvantaged status.
 - c. The number of high quality preschool classrooms the respondent plans to operate.
 - d. The estimated cost per student.

27. Requires a respondent that is a private provider or HBET provider to submit a proposal to the community organization selected by the Board that details each of the following:
 - a. The respondent's strategy to implement the components required of the Program.
 - b. The number of students the respondent plans to serve, categorized by age and economically disadvantaged status.
 - c. The number of high quality preschool classrooms the respondent plans to operate.
 - i. Only required for private providers.
 - d. The estimated cost per student.
28. Requires all grant recipients to establish a preschool or HBET program with all required components.
29. Directs a grant recipient to allow classroom or other visits by an independent evaluator chosen by the Board.
 - a. Requires the independent evaluator to determine whether the grant recipient has effectively implemented the required components and report findings to the Board.
30. Requires an LEA, private provider or HBET that receives a grant to assign a statewide unique student identifier to each student funded by a school readiness grant.
31. Directs an LEA grant recipient to annually report all of the following to the Board and SBE:
 - a. The number of students served by the preschool, reported by economically disadvantaged status.
 - b. Attendance data.
 - c. The cost per student.
 - d. Assessment results.
32. Directs a private provider or HBET provider grant recipient to annually report all of the following to the Board and community organization selected by the Board:
 - a. The number of students served by the preschool or HBET program, reported by economically disadvantaged status.
 - b. Attendance data.
 - c. The cost per student.
 - d. Assessment results.
33. Requires SBE to adopt rules to effectively administer and monitor the School Readiness Grant Program, including the following:
 - a. A requirement that grant recipients use the pre-assessment and post-assessment selected by the Board.
 - b. The establishment of reporting requirements for grant recipients.
34. Requires the Board to annually share the information received from grant recipients with SBE, upon request of the Board, SBE and community organization selected by the Board.

Program Eligibility Requirements

35. Requires an LEA to establish or currently operate a high quality preschool to receive funding under the Program.
36. Directs an LEA, private provider or HBET to assign a statewide unique student identifier to each eligible student funded by a results-based readiness contract.
37. Prohibits an LEA or private provider from using funding awarded through a results-based contract to supplant monies for an existing high quality program.

HB 2668

- a. Allows these funds to be used to supplement an existing high quality program.
38. Allows an LEA or private provider to charge a sliding scale fee based on household income of a student participating in a high quality preschool program, if federal law permits.
39. Allows an eligible LEA to contract with an eligible private provider to provide a high quality preschool program to a portion of the LEA's eligible students funded by a results-based school-readiness contract.
 - a. Directs the Board to determine the portion of an LEA's eligible students funded by a private provider.
 - b. Requires the contract to comply with the requirements of the Arizona Constitution.
40. Requires an eligible private provider to do all of the following to receive funding from a results-based readiness contract:
 - a. Establish or currently operate a preschool program that contains the Program required components.
 - b. Allow classroom visits by an independent evaluator to ensure that the required components are implemented.
 - c. Allow the evaluator to administer the pre-assessment and post-assessments to students in the Program.
 - d. Report the required information to the Board and any contracted LEA.
41. Allows an LEA to provide the eligible private provider with all of the following:
 - a. Professional development.
 - b. Staffing or staff support.
 - c. Materials.
 - d. Assessments.
42. Authorizes a private provider to use grants, scholarships or other funds to fund a high quality preschool program.
43. Requires the independent evaluator to annually evaluate all of the following:
 - a. The quality and outcomes of the Program.
 - b. Adherence to the Program required components.
 - c. Pre-assessment and post-assessment results.
 - d. Whether the performance outcome measures set in the results-based school-readiness contract have been met.
44. Directs SBE to annually share with the Board, aggregated longitudinal data on eligible students that currently receive or previously received Program funding, including:
 - a. Academic achievement outcomes;
 - b. Special education use; and
 - c. English Language Learner services.
45. Requires a HBET provider, in order to receive funding, to administer a HBET program designed to prepare children for kindergarten.
46. Requires a HBET provider to establish or currently operate a high quality school readiness program with the Program required components.
47. Directs a HBET provider that receives funding from a results-based school-readiness contract to provide de-identified information for students funded in whole or in part by the contract, including:

- a. The number of students served by the HBET program, reported by economically disadvantaged status and English Language Learner status;
- b. The average time usage that an eligible student spent using the Program each week;
- c. The cost per student;
- d. The pre-assessment and post-assessment results; and
- e. The number of students served by the HBET program who participated in any other public or private preschool school program, including the type of preschool attended.

Results-based School-readiness Contracts

48. Allows the Board to negotiate and enter into a results-based school-readiness contract with a private entity, selected by a competitive process, to fund a high quality preschool program, high quality HBET program or a combination of both.
49. Prohibits the Board from issuing a contract if the total outstanding obligations of all issued contracts would exceed \$15 million at any one time.
50. Allows the Board to include in the repayment to a private entity, a return of investment and an additional return on investment, dependent on the achievement of specific performance outcome measures outlined in the contract.
51. Requires a results-based school-readiness contract to include each of the following:
 - a. A requirement that the repayment to the private entity be conditioned on specified performance outcome measures.
 - b. A requirement for an independent evaluator to determine whether all performance outcome measures have been achieved.
 - c. A provision stating that repayment to the private entity is based on available monies in the Fund and is subject to Legislative appropriation.
 - d. A provision stating that the private entity is not eligible to receive or view any personally identifiable student data.
52. Requires the Board to select an independent, nationally recognized early childhood education evaluator, through a request for proposals process, to annually evaluate performance outcome measures of a contract and of a recipient of a high quality school readiness grant.
 - a. Contract evaluations must be completed at the end of each year of a contract, after a contract funded student completes kindergarten.
53. Directs the Board to select a uniform assessment of age-appropriate cognitive or language skills that:
 - a. Is nationally norm-referenced;
 - b. Has established reliability;
 - c. Has established validity with other similar measures and with later school outcomes; and
 - d. Has strong psychometric characteristics.
54. Requires the Board to ensure that the parent or guardian of a student participating in a contract funded program has given permission and signed an acknowledgement that the student's data may be shared with the independent evaluator.
 - a. Requires the Board to maintain documentation of this permission.
55. Requires the Arizona Department of Education to track the academic progress of students covered by a contract.

HB 2668

56. Requires an eligible LEA, private provider or HBET provider that receives funding from a results-based school-readiness contract to annually report the following de-identified information for students that are funded in whole or in part by a contract:
- a. The number of eligible students served by the preschool or HBET program, reported by economically disadvantaged status and English Language Learner status.
 - b. Attendance data.
 - c. The cost per student.
 - d. The results of the pre-assessments and post-assessments.
 - e. Aggregated longitudinal data on eligible students that currently receive or previously received Program funding, including:
 - i. Academic achievement outcomes;
 - ii. Special education use; and
 - iii. English Language Learner services.
57. Requires the Board, for each year of a contract, to report to the Governor, the President of the Senate and the Speaker of the House of Representatives, each of the following:
- a. The information collected for each LEA, private provider or HBET provider.
 - b. The terms of the contract, including:
 - i. The name of each private entity and the funding source;
 - ii. The amount of monies invested by each private entity;
 - iii. The performance outcome measures; and
 - iv. The repayment schedule to the private entity, if the performance outcomes are met.

Miscellaneous

58. Sunsets the Program on July 1, 2025.
59. Defines terms.