

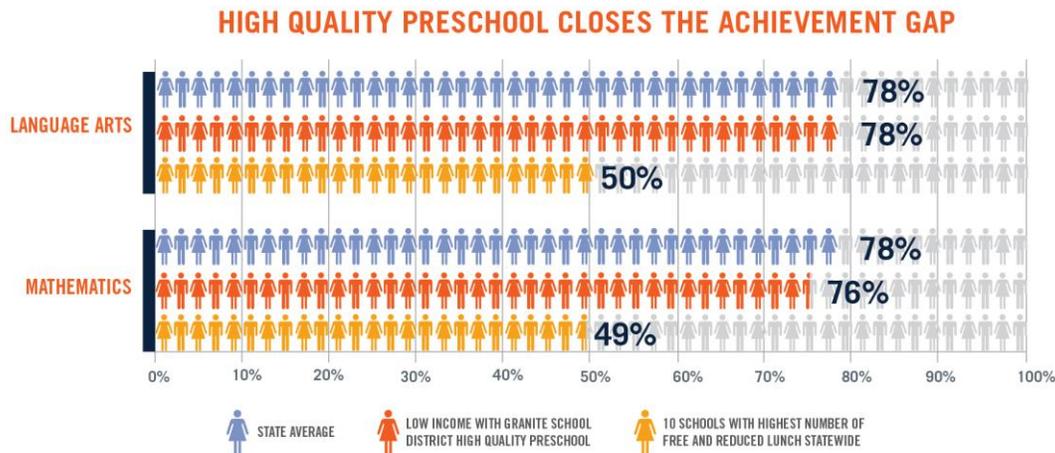
SB71 Results-based Financing for Early Childhood Education Prevention Pays

The first five years of a child’s life are full of social, emotional, physical and cognitive growth. Reaching children at this age and providing them with high quality learning opportunities is crucial to their ability to enter Kindergarten on track with their peers and to their long-term educational success. **Invest in high quality early childhood interventions that are proven to close the achievement gap will ensure that Utah children hit necessary benchmarks, graduate from high school, and become contributing members of our communities.**

A summary of national research done by the Ounce of Prevention Fund found that **without high quality early childhood intervention, an at-risk child is:**

- 25 percent more likely to drop out of school
- 40 percent more likely to become a teen parent
- 50 percent more likely to be placed in special education
- 60 percent more likely to never attend college
- 70 percent more likely to be arrested for a violent crime¹

Research conducted on Granite School District’s high quality Title I preschool program started by Mark Innocenti, Director of the Early Intervention Research Institute at the Center for Persons with Disabilities at Utah State University, and continued as part of United Way of Salt Lake’s Collective Impact partnership with Voices for Utah Children, Granite School District, and Goldman Sachs reinforces national findings.



¹ Center for American Progress. 2012. “Increasing the Effectiveness and Efficiency of Existing Public Investments in Early Childhood Education: Recommendations to Boost Program Outcomes and Efficiency.”
<http://www.americanprogress.org/issues/2012/06/pdf/earlychildhood.pdf>

Statewide 17% of low-income students are in special education, while 10% of non-low income and non-English language learners are in special education. Low-income students face an opportunity gap that results in greater remediation costs in kindergarten through 12th grade. High Quality Preschool helps reduce these long term remediation costs. The Granite Preschool Program showed that:

- **\$1.75 million in state special education was avoided** from school year 2007-08 to school year 2011-12 due to a reduction in special education use among the at-risk preschoolers in the study
- Children who entered kindergarten at the top of their class **stayed at the top of their class in 4th grade**

SB71 Highlights

Through an innovative approach to government financing of interventions where **capital can be accessed upfront by combining outcomes and market discipline**, Senator Osmond's SB71 allows the government to contract with a private-sector investor to pay for **voluntary early childhood interventions** up front and then be paid back based upon the intervention achieving outcome targets. **This strategy enables Utah to begin to invest in prevention while meeting current needs.**

Highlights of the bill include:

- Creation of a Results-based Early Education Board that will negotiate contracts with private investors who will invest in proven early education programs including high quality preschool and home-based technology
- Requirements of what must be in a contract, including:
 - repayment will be conditioned on specific performance outcomes
 - an independent evaluator that will assess performance outcomes
 - payments are based on available money in the restricted account
- Details of what constitutes high quality preschool and home-based technology programs, requirements to work with private providers, and outlines pre and post test requirements
- Creation of a Results-based Early Education Restricted Account where money will be appropriated annually to **pay back contracts that achieve stated results and cost avoidance**

Prevention Pays

At-risk children often start school behind their peers and remain behind. High quality preschool:

- Provides an option for parents who otherwise could not provide early learning opportunities for their children
- Intervenes at an early age when the achievement gap has a greater chance of being closed, since skills build upon skills
- Reduces long term costs of remediation, special education use, and possible juvenile justice and welfare dependence
- Saves the state \$7 to \$10 for every \$1 invested in the program²

High quality preschool is a fiscally responsible intervention to close the achievement gap and reduce the need for future remediation. VOTE YES ON SB71!

² Heckman, Dr. James J. 2011. "The Economics of Inequality: The Value of Early Childhood Education." <http://www.aft.org/pdfs/americaneducator/spring2011/Heckman.pdf>