

Transcript of House Speaker Greg Hughes Interview

Interviewer

Explain the HB96 and tell us your personal story... why it was so important for you to get this through.

Greg Hughes

Well, right now, Sally, we have at-risk kids. And what does that mean, "at-risk" kids? We have kids that are – that live within the federal poverty level and they are kids that if we were to assess them, many of these children, there are tests out there that you can do for three and four year olds that will show you that if you don't recognize certain colors or numbers or shapes, your likelihood of entering special education programs in public schools is 95 percent conservatively. And what does that mean for an at-risk child that comes into our public schools and enters into special education? The odds are not good. The idea that that child will be able to not be in special education and be reintegrated into the normal everyday school population is low. The cost to taxpayers is very high by trying to meet those needs and creating individual education plans. And so we needed a way to go upstream and find these kids, and find a way to create curriculum in an environment where they're better prepared for public school, for their education. And the win/win here is that you change the trajectory of that child, as well as the cost – the finite dollars we have for education – we're able to invest those more wisely and there's not as much of a cost for the special education side if we find these kids and are able to help them earlier. And so it's a cost-avoidance bill. And the exciting thing about it, and why in a Republican state like Utah it was able to pass is that there are groups out there that want to invest in these children. The state of Utah only reimburses where this has been successful. And so it's called Pay for Success. And it's a way to say to those that want to help, to see the return, or to see the reimbursement for the cost of the daycare or the curriculum, it has to work. And isn't that exciting that it has to work for these kids if we're going to have a program? And it raises the stakes for everybody. And we know that if we get to the kids and they're able to – and they're there already. It's not, we had some concern that we were going to remove children from homes and put them in school at too early of an age. I was one of these at-risk kids and I went to nursery school starting at three years old. I had a mother that worked. It's important for policy makers to know that we have kids today, right now, somewhere. And what this bill does is it doesn't remove them from whatever environment they're in. If they're at home, we have a home-based model. If they're in a private daycare, there's a daycare model. If they're in a school district's preschool, there's a school district preschool model. So we don't change the environment of that child, we just get needed resources to those children. And that's what's so exciting about the bill.

Interviewer

So more about your personal story. Single mom?

Greg Hughes

My mother was a single mother and I went to – we called it nursery school back then. And my memory of growing up had its trials. My mother was an artist, she was, you know... went from job to job. It was a difficult time for her. And having a little one like me with her. And frankly, we've been chased out of apartments by landlords. We had not had electricity at times. It was not a – looking back as an adult and children, I look back at those times and didn't know it at the time, but it was a great challenge for my mother. Her support system was her mother who was also a single mom, raising my mother. It was a bit of a cycle going on there. But we were a close family and I was raised by my mother and my grandmother, and my mother's sisters, my aunts – in terms of that was my nuclear family. And we all tried to rally together and my mother has since passed. But I think she did right by me. I think she helped raise me well. But I think about her a lot. I think about her when – like policies like this come up and how, the struggles that my mother went through, how it affected us and what we did. I went to probably nine different school districts in K through 12. Actually, I didn't even go to kindergarten, but from 1st grade to 12th grade, probably went to nine different school districts. And so had that experience and that is what informs me or is part of my perspective when I look at public policy.

Interviewer

That's a great story. So can you talk a little bit more, in a simplified way, about Pay for Success? How does that work?

Greg Hughes

So, what we have is you have foundations right now that in an aspirational way want to put money into programs to help kids. The challenge is, is that there's a lot of philanthropy where dollars go in, but how exciting would it be if you could put dollars in, invest in these children, and even if it was a small return, see some of those dollars come back that you could then turn around and reinvest so it would start to self-perpetuate itself so those dollars could be generated and reinvested into children, or whatever that pay for success model would be. In New York State they're looking at prison recidivism. If you have 50 percent of your prisoners that leave a correctional facility coming back, what is the cost to the state? And if you have a program that would help integrate people leaving correctional facilities into jobs and getting them so that they're not returning and you lower that percentage, pay those programs that do that, if it's less than what you would've paid for them to come back into the prisons, does that make sense? So we're trying to say if we have a way to invest in children and the way that that investment happens is a cost avoidance to the state – the state saves money – we would pay for those programs or reimburse those that would pay for those programs because the reimbursement is less than what the cost of the consequence would've been. Meaning instead of the special education plan that we would pay for, we're going to pay less money to a program that keeps that

child out of the special education program. That saves the taxpayer dollars, and changes the trajectory of that child. And that's the beauty of the program.

Interviewer

Tie that into the Goldman Sachs, United Way partnership -- can you simplify and tell us what that private/public partnership is about?

Greg Hughes

So Goldman Sachs is one of the – they have different funds. Some people want a lot of return on the money that they invest. Some, as I've said, will take a smaller return if they can improve the human condition with the money that they would put in that fund. So they would take less of a return, in their proforma is the human condition and doing something, and doing something good with their resources. And so Goldman Sachs created a fund where it's a smaller return than maybe their traditional financial pursuits. But that smaller return, there are investors out there that would like to see a return on their investment, that they can then use to maybe reinvest in children or into an important cause. And so Goldman Sachs set up a fund that can do that very thing. And so Goldman Sachs has a program in the state of Utah, in Granite School District where they are funding the preschool programs that are changing the lives of these kids. And there is a cost avoidance and a return back to Goldman Sachs. Small, but again, paying for performance. And only after you look at that child that's entering, after going through the preschool, they go to first grade. There's just a simple question, you don't need a lot of analysis. It's just: Are they in a special education program? Do they have an individual education plan, yes or no? If the answer is no, then there is a repayment. That goes from kindergarten to sixth grade. And then that's how those dollars are ultimately reimbursed or returned or paid back to the investor with a small return. That's an exciting prospect. And you have others, Goldman Sachs. You have other investors out there looking for ways to invest that does something more than just make money. It's going to change things. It's a smaller return, and that allows for more resources for them to reinvest and to continue to do good. And that's a different way. That's a public/private partnership. You usually think of government doing it and we're just hoping for the best. This is different and this is raising the stakes on all levels, but I think it's putting that opportunity to return state dollars to those that would invest in these children creates an accountability and makes those programs even more successful.

Interviewer

And the nice thing for the state is this investment pilot is known nationally... I mean this Granite program is well-known nationally right now.

Greg Hughes

So kudos to Salt Lake County for starting a – partnering with Granite School District and starting the pilot. The pilot is what we used and pointed to in our legislation last year in the state of Utah as proof that this works. Proof that there

are great things happening in a way you hadn't thought about before. So we used that pilot as our example and so we are the first state in the United States to look at a way to help these children, prepare them for their education, entering our public schools, creating a cost avoidance where the state, in its finite dollars for education aren't paying as much for special education. And it's a great combination. The pilot worked. It's working. And the state statute that we passed is well underway. And we're excited. We're excited to see the fruits of this labor.

Interviewer

And part of that pilot was the evidence-based piece where they tested fourth and fifth grade students. Could you just lead up to that?

Greg Hughes

Yeah, so the pilot shows us, and the critical part of any plan like this is you have to have third-party analysis meaning you can't have anyone cooking the books. You have to have confidence that what you're doing is really making a difference. And so in the bill we passed we have higher education. There would be an RFP, a request for proposal where institutions of higher learning who are experts in this field would come and really study to make sure that we're seeing that progress and that they can be sure that these programs are valid. Well, in the pilot, we're seeing in the fourth grade, children that we started, and that that pilot started with, and began the curriculum and the quality preschool – we're seeing the numbers of at-risk children and their academic performance outpace the kids around them. And not just escaping special education, but performing at a high level, and a higher level than peers that might not even have the same challenges. That is so exciting. And one of the things that happens when you have a pay for performance and you find at-risk children where when you've assessed them, there's going to be some challenges come up in their lives. That curriculum is available to all. So what is exciting about this is while the pay for performance model is really looking at that child where the assessment says we have to do something for this child now. That curriculum is available, or that preschool is available for other children. Because you can get bad grades and not be in special education. And how exciting that that program is on the ground helping all these children. And that's – you can call it gravy – that's extra benefit that's not calculated, that's not paid for, it's just the good that's coming from smart programs in critical places in critical times in these children's lives. And there is a ripple effect that's happening. And so the children that have been part of those quality preschools are performing as we had hoped. They're outpacing their peers and we want more of that obviously.

Interviewer

Talk about McAdams support of the bill.

Greg Hughes

So senator – or, he was a state senator, now he's the county mayor – a well-known Democrat, maybe one of the most popular Democrats in Utah, but Utah's a Republican state and I'm a Republican – and we joked, he came to the education committee to help support my bill. And I told this committee, "I don't know if this is hurting my bill or helping it," you know, because we enjoy a good friendship, but this is one of those bills that enjoys bipartisan support. The good side is it's bipartisan, the bad side could be that you know, people say well wait a minute, the other side likes it? There are some Democrats out there that say, "If Greg Hughes, that conservative Republican likes it, where is the problem?" I mean that's just politics, right? Mayor McAdams' courage to step forward into this space, to help create a pilot that we could point to in this legislature and its real effect and its real progress is the only reason we were able to pass this bill. I can consider Ben a friend. He is a true public servant and a leader and he had to do something, and he had to make a decision that's different than the one that I even had. I had some information that I could work on. He had to understand this policy and step forward in a place no one had been and help implement and help facilitate that pilot. He did that and that's why you see the good that we're doing. I don't want to give him too much credit because it's a smaller body he has to convince than I do, so you know, he had an easier job. But other than that – but his participation and his leadership is integral to this effort.

Interviewer

And –

Greg Hughes

I like to tease him. I'll continue to just tease him like that. [Laugh]

Interviewer

One last thing. Goldman Sachs is allowing 3,500 more children to be funded. Can you talk about how that?

Greg Hughes

So right now, we created a school readiness board in the legislation I passed and it's kind of passed the torch from the Goldman Sachs' pilot and now this school readiness board that we created and statute is kind of overseeing that effort now. So they've moved into the state statute that we have. And what we're doing with that is those dollars are invested and they're [inaudible] or amounts that are paid back over time. But there's a generating fund that allows for more of this investment to occur. There is a payback. The thing that the bill does though is that it doesn't – there's always dollars being invested and there's always a reimbursement going. So it's a revolving fund. And the other thing that this bill does, if you look at what we have by way of infrastructure of quality preschool today, there were private daycares saying, "Well wait a minute, we don't have this kind of infrastructure, and if you're going to pass a bill like this, what the effect could be is that some of these at-risk children that come to our facilities will

leave and go to the school district's preschools, and that could have a detrimental effect." Well that's not the purpose of the bill. And we don't want to see quality or facilities that have – or this daytime population of at-risk children may be today, we don't want to see their – to be a combative environment for where they're at. So within the bill we ran, we have a grant side that says to those daycares, they can apply for these state grants to bring their facilities up to a standard where they can have that quality curriculum and that quality preschool on site for all of those children. And so we had to create in our bill some opportunities for those private daycares to be able to do what the school districts have been able to do already. And that it was a key in the legislation and seeing this go broader and be more successful, is we don't have haves and have-nots. And we don't want to necessarily argue about whether it's right to move a child from one environment to the other. We know that these kids are here today in different environments and we just want to reach out to them in those environments and we found in this bill a way to fund, to provide infrastructure, to help those children if they're at home, a private daycare or a school district's daycare or preschool, and do it successfully. So that's kind of the overview.

Interviewer

We've gone into Children's Express and we're following them.

Greg Hughes

And they don't have to pay that back. That's a grant that helps bring their facilities up to a standard where they can receive that investment.

Interviewer

This grant money, explain how it comes into the home.

Greg Hughes

Okay, the home-based model. So we have statutes for a program called Upstart. And Upstart is a quality preschool that is done online and the Upstart program comes into the home, an at-risk home, puts a computer if needed, the modem, the Internet connection, the subscription online and allows that child to now interact through technology and begin to become grade ready. And to understand their colors and their shapes and their numbers and letters. And so we already had that as a state. And again, when you're looking at trying to reach these at-risk children, what you don't want to do, and what has happened in the past, is you would have an effort like Upstart say, "Well wait a minute, we're trying to do this already, you're trying to take away from the good effort we're doing. Why are you doing?" Well we don't want to do that. We want to take all those best practices, and all those areas. And I think that that's why this bill had been tried before. It wasn't the first effort. But that was one of the critical things we changed is that we included Upstart program into the bill saying that that is another area that investors can invest and provide that. So the state doesn't provide the Upstart program, but investors could, and then see that return if and when the results are borne out as the child enters our public schools and does

not require an individual education plan or special education. Then they would see that return back. So we had that program working and growing and making a difference. And so we wanted to include it. And so we brought everyone together early on in the drafting of this bill and said, "How do we draft this bill in a way where you don't see this as competition, you see this as expanding your opportunities and the opportunities of these kids and reaching them, wherever they may be?" The part of necessarily not removing a child from a home was critical with my colleagues in terms of being able to find support for the bill. We did not want to see children who would otherwise be at home, where many believe, and I think it bears true – if I could've been with my mother all day, every day, that would've been, as a little boy, my preference. I used to cry when I'd get dropped off at nursery school. If a child is fortunate to be at home with a mom right now, we don't want to interrupt that, we just want to improve what's going on and give some greater opportunity to that child. I just know that those are rare. Those are rare opportunities. I think that the far majority of these at-risk children are finding themselves in daycares and preschools. But if you're fortunate to be in the home, let's not interrupt that. And so that's the home-based portion.

Interviewer

And that grant money will go to buying computers for families?

Greg Hughes

So the Upstart program does pay for the computers and the Internet connection for those that wouldn't have it. Yeah. So it adds other opportunities inside that household that can be positive and can be good. Our children are technology natives. I'm the immigrant or the refugee. I'm struggling through the technology and trying to learn it as fast I can. But our children don't know a world without it. And the way we deliver education – and this is broader than just special education or preschool, this is our kids – we need to start delivering education in a way in the world that they understand. And technology is really the component. This is why kids aren't getting driver's licenses anymore. Their independence comes through technology now, not getting in a car and driving to a friend's home or congregating necessarily. They can congregate immediately and so technology is – my youngest boy, we have to search him for games and iPads and things that he just wants to take to school. This kid feels like he goes to jail without technology in his life, and wants to come back, and the first thing he does is get on the computer and start entering the world that he enjoys and that he understands. We as adults and technology immigrants, have to understand that that's an incredible opportunity, and a conduit for education for these kids. And so there's a lot of exciting things on the technology and software front for educating and getting kids ready for school.

Interviewer

Anything else you want to share?

Greg Hughes

You put a nickel in me, I give you a quarter's worth of talk, I'm sorry. [Laugh]