

**ALC Report
For Emergency Review of
Services Contract**

A1

August 10, 2023

On August 4, 2023, Senator Terry Rice and Representative Jeff Wardlaw, Co-Chairs of the Legislative Council and Senator Scott Flippo and Representative Les Eaves, Co-Chairs of Review Subcommittee received written notification from TSS Secretary Joseph Wood requesting review of a Technical and General Services (TGS) Contract.


The contract for the Arkansas Education Department and KLEO, Inc. dba Class Wallet will provide an online platform to be used by the customer to process allocations to eligible independent nonpublic K-12 schools for the Education Freedom Accounts and Literacy Tutoring Grants. It is being procured using a Special Procurement request approved by Office of State Procurement Director Ed Armstrong for 1 year.

Under Rule 16 of the Rules of the Arkansas Legislative Council, on August 10, 2023, the Co-Chairs of the Legislative Council and ALC Review Subcommittee unanimously determined that emergency review of this contract was essential to enable the agency to perform essential services. Below is a summary of the contract that was given emergency review and the letter from Secretary Wood requesting the emergency legislative review.


**SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW
*Out-of-State Contracts***

I. Agency: Education Department	Contractor: KLEO INC	State: FL
	Location: HOLLYWOOD	
Service Type: Technical & General Services (TGS)		
Total Authorized:	\$0.00	Org. Term: 08/01/2023 07/31/2024 Procurement: SP
Total After Review:	\$55,201,900.00	Funding: Federal - 15% - [ARP ESSER FUNDING - FUND FRP]; State - 84%
Total Projected:	\$55,201,900.00	MOF: Contract Number: 4600053270
Org/Amt:	Amount	Paid To Date Objective:
	55,201,900.00	EDUCATION FREEDOM ACCOUNTS/LITERACY TUTORING GRANTS
		New Exp Date

Respectfully Submitted,



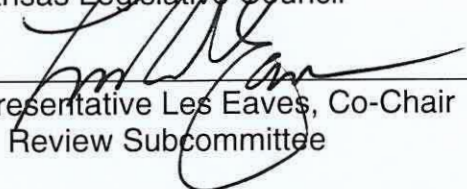
Senator Terry Rice, Co-Chair
Arkansas Legislative Council



Senator Scott Flippo, Co-Chair
ALC Review Subcommittee



Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council



Representative Les Eaves, Co-Chair
ALC Review Subcommittee



Department of Transformation and Shared Services

Governor Sarah Huckabee Sanders

Secretary Joseph Wood

August 3, 2023

Senator Terry Rice, ALC Co-Chair
Representative Jeff Wardlaw, ALC Co-Chair
Senator Scott Flippo, ALC Review Co-Chair
Representative Les D. Eaves, ALC Review Co-Chair

State Capitol Building, Room 315
Little Rock, Arkansas 72201

Honorable Co-Chairs,

To help the Arkansas Department of Education (ADE) expedite its ability to set up Education Freedom Accounts to meet the mandates of the LEARNS Act, I am requesting that you please grant emergency review to ADE's proposed contract with Kleo, Inc. d/b/a Class Wallet so that ADE can quickly implement education freedom accounts and literacy tutoring grants. Expedited review is needed because the school year is about to start. Additional information is being supplied by the TSS Office of State Procurement in the form of a special procurement request by the ADE and a determination granting special procurement authority by the State Procurement Director.

Earlier implementation would have been optimal but was delayed in deference to a court order regarding the effective date of the Act. Given the importance of effectuating the LEARNS Act, I believe emergency review of the contract is in the State's best interest, and humbly request that it receive emergency review by the Co-Chairs. Please let me know if there is any additional information you require.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Wood", is written over a blue horizontal line.

Joseph Wood (Aug 3, 2023 14:04 CDT)

Joseph Wood
Secretary,
Dept. of Transformation and Shared Services

Office of the Secretary

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