



CLASSWALLET

REDACTED

TECHNICAL PROPOSAL PACKET

S000000376

Online Platform for EFAs and LTGs

PROPOSAL SIGNATURE PAGE

PROSPECTIVE CONTRACTOR'S INFORMATION			
Company:	Kleo, Inc d/b/a ClassWallet		
Address:	6100 Hollywood Blvd, Suite 409		
City:	Hollywood	State : FL	Zip Code: 33024
Minority or Women-Owned Designation <small>See the <i>Minority and Women-Owned Business</i> section of the Solicitation.</small>	X Not Applicable		AR Certification #: _____
PROSPECTIVE CONTRACTOR CONTACT INFORMATION			
<small>Provide contact information to be used for Solicitation related matters.</small>			
Contact Person:	Bruce Smith	Title:	State Director, Government
Phone:	913-645-4890	Alternate Phone:	
Email:	bsmith@classwallet.com		
CONFIRMATION OF REDACTED COPY			
<input checked="" type="checkbox"/> YES, a redacted copy of submission documents is enclosed. <input type="checkbox"/> NO, a redacted copy of submission documents is <u>not</u> enclosed. I understand a full copy of non-redacted submission documents will be released if requested. If a redacted copy of the submission documents is not provided with Prospective Contractor's response packet, and neither box is checked, a copy of the non-redacted documents, except for financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA). See the <i>Proprietary Information</i> section of the Solicitation.			
REQUIRED CERTIFICATIONS			
<p>By signing and submitting a response to this Solicitation, Prospective Contractor represents, warrants, and certifies that they are not a Scrutinized Company and they do not currently and shall not for the aggregate term of a resultant contract:</p> <ul style="list-style-type: none">Boycott Israel.Knowingly employ or contract with illegal immigrants.Boycott Energy, Fossil Fuel, Firearms, or Ammunition Industries.Employ a Scrutinized Company as a contractor. <p>Prospective Contractor further represents, warrants, and certifies that it shall not become a Scrutinized Company during the aggregate term of a contract resulting from this Solicitation.</p>			

An official authorized to bind the Prospective Contractor to a resultant contract **shall** sign below. The signature below signifies agreement that any exception that conflicts with a Requirement of this Solicitation may cause the Prospective Contractor's proposal to be rejected.

Authorized Signature: Neil Steinhardt Title: President

Printed/Typed Name: Neil Steinhardt Date: October 15, 2024

SUBMISSION REQUIREMENTS CHECKLIST

The following items **must** be submitted with the Prospective Contractor's proposal:

- € *Proposal Signature Page*
- € *Proposed Subcontractors Form*
- € *Recommended Options Form*
- € *Information for Evaluation*
 - o *Experience (2 pages or less)*
 - o *Solution (2 pages or less)*
 - o *Risk (2 pages or less)*
- € *Copy of Prospective Contractor's Equal Opportunity Policy*
- € *Completed Official Solicitation Price Sheet*

The following items, which must be submitted prior to a contract award to the Prospective Contractor, may also be included with the Prospective Contractor's proposal:

- € *EO 98-04: Contract and Grant Disclosure Form*

The following items should be submitted with the Prospective Contractor's proposal, if applicable:

- € *Voluntary Product Accessibility Template (VPAT)*
- € *Redacted copy of the submission documents*

RECOMMENDED OPTIONS FORM

Prospective Contractors should identify optional recommended services available to the State, along with the schedule impact and cost details of each item. If the Prospective Contractor does not offer optional recommended services, Prospective Contractor should indicate so by checking the appropriate box. Responses to this form *will not* be scored for evaluation purposes.

Costs associated with the optional recommended services **must** be included on this form and **must not** be included in the completed *pricing response*.

Prospective Contractor proposes the following optional recommended services under a resulting contract:

Item Description:	<p>ESA Best Practices Consultation: Dedicated, hands-on experienced ESA administrator resource for the State, bringing best practices and insights to ensure a smooth, successful program transition and ongoing management.</p> <p>Sarah Raybon is ClassWallet's in-house ESA subject matter expert and the Senior Director of Strategic Initiatives. Prior to joining ClassWallet, <u>Sarah was the Director of Communications and Engagement at the Arizona Department of Education where she helped administer the country's largest ESA program for almost two years, including through the launch of universal eligibility in 2022.</u></p> <p>Sarah has worked with ESA families and service providers for 15+ years. She has extensive experience in all aspects of launching and administering a successful ESA program and will support Arkansas with developing parent and provider communications, provider support and recruitment, training materials/handbooks, hosting webinars and town halls, and leading ESA parent groups. She also has deep knowledge of the rule-making process and creating robust, thoughtful program policy and procedures that align with statute.</p> <p>In addition to her policy and administrative experience, <u>Sarah is also a longtime ESA parent</u> and is keenly aware of the nuanced needs that ESA parents have.</p>
How Will This Add Value?	<p>Value - Maximize parent satisfaction and hands-on support for administrators: Best practices and insights from a seasoned former ESA administrator of one of the largest and most complex ESA programs (Arizona) in America, and a current ESA parent, will enable Arkansas to execute best-in-class communications, training, town halls, etc. for successful program efficiency that will meet the needs of private school and homeschool parents with excellence.</p> <p>Value - Effective communication with homeschool families to ensure their needs are met: Sarah has extensive experience working with the homeschool community as an ESA administrator, and an ongoing ESA advocate and thought leader. Sarah will work closely with the State in communications and outreach to the EFA homeschool families ensuring they are given the appropriate attention ensuring maximum satisfaction moving forward.</p>
Schedule Impact:	No Impact on Schedule
Cost Details:	Included up to 30 hours \$250 per hour thereafter

Item Description:	<p>Reporting Package: Business-Intelligence Powered Data Insights</p> <p>ClassWallet can provide Arkansas with data insights on program outcomes that includes, but is not limited to:</p> <ul style="list-style-type: none"> ● Most frequently purchased items/services: Identifies the most popular educational resources and services families are accessing with their EFA funds ● Average spending per student: Provides an understanding of how much families typically utilize their EFA funds ● Spending variations by grade level/age group: Reveals trends in how EFA spending changes as students progress through their education ● Spending variations by geographic location: Identifies any regional differences in how families use their EFA ● Spending variations by demographic: Identifies any differences in how families use their EFA based on gender, race, age, and other demographic data ● Spending on special needs students: Outcomes analysis for students with special needs and their unique educational requirements
How Will This Add Value?	<p>Value - Program Evaluation: Data on program participation and outcomes as described above will empower the State to evaluate the effectiveness of the EFA program and make necessary adjustments to maximize its impact based on data.</p> <p>Value - Equity and Access: Data on student demographics and participation rates will empower the State to identify any disparities in access to the program and ensure that it is serving all students equitably.</p> <p>Value - Increased Funding: Data on student outcomes will empower the State to make informed decisions about funding levels for the EFA and LTG program.</p>
Schedule Impact:	No Impact on Schedule
Cost Details:	Included

Item Description:	<p>Reporting Package: Indicators on Long-term Student Performance</p> <p>ClassWallet proposes the following EFA performance indicators, and we are open to the State’s input.</p> <ul style="list-style-type: none"> ● Academic performance of EFA students vs. non-EFA students: This allows for comparisons to assess the impact of EFAs on student achievement. ● Graduation rates of EFA students vs. non-EFA students: This helps determine if EFAs contribute to improved educational attainment.
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	<ul style="list-style-type: none"> ● College enrollment rates of EFA students vs. non-EFA students: This insight helps gauge if EFAs are helping students pursue higher education. ● Long-term outcomes (e.g., employment, income) of EFA students: This provides a broader understanding of the long-term benefits of EFAs.
How Will This Add Value?	<p>Value - Program Sustainability and Potential Expansion: The State will be empowered with student performance metrics to advocate for program continuity and further expansion.</p> <p>Value - Industry Thought Leadership: Arkansas would be the industry “gold standard” in elevating how agencies are quantifying the positive impact of ESA programs for their student populations.</p>
Schedule Impact:	No Impact on Schedule
Cost Details:	TBD based on number of external data sources and SOW

Item Description:	Machine Learning for Anomalous Activity Detection: Advanced algorithms that can analyze transaction patterns and identify potential fraud, allowing for proactive intervention and prevention with data visualization dashboard.
How Will This Add Value?	<p>Value - Proactive Fraud Prevention with:</p> <p>Automated Detection: ClassWallet’s machine learning algorithms automatically sift through massive datasets, uncovering subtle patterns and anomalies to detect fraudulent behavior. This is particularly valuable to identify activity that may appear legitimate on the surface, but may be nefarious activities by families trying to “game the system.”</p> <p>Early Warning System: By detecting anomalies early on, Machine Learning empowers the State to proactively address potential problems before they escalate.</p>
Schedule Impact:	No Impact on Schedule
Cost Details:	\$50,000 Annual Cost

Item Description:	<p>Marketing & Outreach: ClassWallet has an in-house Marketing team with the experience to reach urban, suburban, and rural families across Arkansas and to maximize enrollment across all demographics, including underserved communities. We will provide a comprehensive marketing and outreach plan that considers demographics, psychographics (e.g., lifestyle), location, and more to ensure we share the right message with the right people using the right medium to result in the desired action → applying and participating in the EFA and LTG program. The plan can include:</p> <ul style="list-style-type: none"> ● Updated website and landing page ● Target Audience Qualitative and Quantitative Research (e.g., email surveys, town halls, etc.) ● Grassroots Efforts (Community Outreach) - Interest list, webinars and town halls with school principals, etc. ● Targeted Digital Media Campaign (e.g., social media, Google ads) ● Targeted Traditional Media Campaign (e.g., radio appearances)
How Will This Add Value?	Value - Maximum Program Participation: A highly targeted marketing and outreach strategy will ensure all eligible families in Arkansas understand the

	<p>benefits of the EFA and LTG program, are clear on how to apply, and are motivated to do so.</p> <p>Value - Real-time Feedback from Families: Our grassroots strategy will collect real-time feedback from Arkansas families in-person and online (e.g., surveys and focus groups) to capture pain points, successes, and other insights that can be used to improve their program experience.</p> <p>Value - Consistent Communication to All Stakeholders: The ClassWallet Marketing team will support the State with crafting a communications strategy to ensure all stakeholders (e.g., policymakers, media, etc.) are well-informed in a timely and consistent manner.</p>
Schedule Impact:	No Impact on Schedule
Cost Details:	TBD based on SOW

Item Description:	<p>Vendor and Expense Validation Services: ClassWallet has a team dedicated to supporting states with two distinct services:</p> <ol style="list-style-type: none"> 1) Review and validate family expenditures based on State-determined program rules. 2) Review (approve or reject) applications from vendors (service providers and schools) based on State-determined program rules.
How Will This Add Value?	<p>Value - Maximize Program Integrity: Our dedicated Validation Services team is focused on ensuring expenditure and school/service provider compliance. They review expenditures made by families to ensure alignment with policy, and they review school and service provider credentials during the onboarding process to ensure these vendors meet program guidelines. This level of dedicated investment reduces risk of fraud and abuse.</p> <p>Value - Minimize Fraud: The State can feel confident in knowing expenditures made on the ClassWallet platform are compliant. The Validation Services Team has reviewed well over 500,000 transactions.</p> <p>Value - Maximum Program Efficiency: The Validation Services team has onboarded over 12,500 schools and service providers. The average time to onboard is 36 hours.</p> <p>Value - Maximum School and Service Provider Satisfaction: Together, with our Vendor Services team, all schools and service providers receive best-in-class onboarding support and training with a custom dashboard to access detailed reporting and our J.D. Power customer support team.</p>
Schedule Impact:	No Impact on Schedule
Cost Details:	\$6,900 per month per resource for each service The State can select either or both services

Prospective Contractor does not offer optional recommended services.

PROPOSED SUBCONTRACTORS FORM

Prospective Contractors **shall** complete the form for all subcontractors the Prospective Contractor proposes to use under a resulting contract (*Services Contract (SRV-1) Fillable Form*, section 14). If the Prospective Contractor does not intend to use subcontractor(s), Prospective Contractor should indicate so by checking the appropriate box.

Prospective Contractors should not include additional information relating to subcontractors on this form or as an attachment to this form.

Prospective Contractor proposes to use the following subcontractor(s) under a resulting contract:

SUBCONTRACTOR'S COMPANY NAME	STREET ADDRESS	CITY, STATE, ZIP
Nelnet Business Solutions, Inc. d/b/a FACTS Management	121 South 13th Street, Suite 101	Lincoln, NE, 68508

Prospective Contractor does not propose to use subcontractors under a resulting contract.

INFORMATION FOR EVALUATION – EXPERIENCE

Claim of Expertise:	Arkansas EFA & LTG Experience: ClassWallet has extensive experience specifically with the Arkansas EFA & LTG programs, having been the contractor ADE launched both programs with in the 2023-24 school year. We have demonstrated our reliability and capability, and can expediently and seamlessly transition the program.
Documented Performance:	Arkansas families rated their ClassWallet experience as “great” (NPS score = 50) and their satisfaction with ClassWallet customer support as “excellent” (CSAT score = 90%) <ul style="list-style-type: none"> Time to launch = less than 21 days \$57 million distributed to 10,000+ Arkansas students ZERO reported incidents of fraud Received a perfect score on the technical response for the previous RFP

Claim of Expertise:	(6 Years) ESA Expertise: ClassWallet has the most experience of any contractor supporting Education Savings Account (ESA) programs. We are the trusted contractor for 8 ESA programs and have been providing ESA services since 2018.		
Documented Performance:	<ul style="list-style-type: none"> Trusted contractor for 8 ESA programs: Alabama, Arizona, Indiana, Missouri, New Hampshire, North Carolina, South Carolina, and Utah ESA families rate ClassWallet experience as “great” (NPS score = 55) and customer support as “excellent” (CSAT score = 90%) 		
		Clearly establishes reliability and capability	Suggests, but does NOT clearly establish reliability and capability
		ClassWallet	Odyssey - Student First - Merit
	Years of ESA Experience	6 years	2 years or less
Number of ESA Programs	8 programs	3 programs or less	


Claim of Expertise:	(5 Years) Tutoring Grant Experience: ClassWallet has domain expertise specifically in supporting grant programs for tutoring. We are or have been the trusted contractor for 6 tutoring (and other educational benefits) grant programs since 2019.
Documented Performance:	<ul style="list-style-type: none"> Trusted contractor for 6 grant programs for tutoring (and other educational benefits): Arkansas, Idaho, New Hampshire, New York, Texas, and Virginia 220k+ students have benefitted from \$376.9M distributed funds Tutoring grant families rate the ClassWallet experience as “great” (NPS score = 50) and customer support as “excellent” (CSAT score = 90%) <p>Most Recent Case Study Success (2022): Trusted contractor for the Virginia Learning Acceleration Grant Program which distributed \$68M</p> <ul style="list-style-type: none"> 30K students received 300,000+ hours of tutoring and therapy services Onboarded and validated 2,780 individual tutors Processed 170,000 payments to tutors

Claim of Expertise:	(10 Years) Fund Disbursement Expertise: ClassWallet is the most reliable and capable contractor with a decade of experience supporting the many complexities of distributing public funds to individuals and organizations.		
Documented Performance:	<ul style="list-style-type: none"> Trusted contractor for funds distribution by 20 state departments of Education, Treasury, Early Childcare, and Health and Human Services, and over 300 school districts, across 35 states. Over 1 Million families, educators and organizations have received \$4.2 billion in funds distributed through the ClassWallet platform. 		
		Clearly establishes reliability and capability	Suggests, but does NOT clearly establish reliability and capability

		ClassWallet	Odyssey - Student First - Merit
	Years of Experience	10	3 years or less
	# of Funds Recipients	Over 1 Million	ADE may wish to verify
	Volume	\$4.2 Billion	ADE may wish to verify

Claim of Expertise:	(30 Years) Application Expertise: ClassWallet, via its subcontractor, FACTS Management, has 30 years of experience supporting family applications.
Documented Performance:	<ul style="list-style-type: none"> • ESA programs that use, have used, or will use our application services: Alabama, South Carolina, Missouri, Virginia, and Idaho • Process over 350k applications per year qualifying 750k students • Support 160 ESA, Tax-Credit and Private Scholarship Programs • Average time for income qualification via API = INSTANT

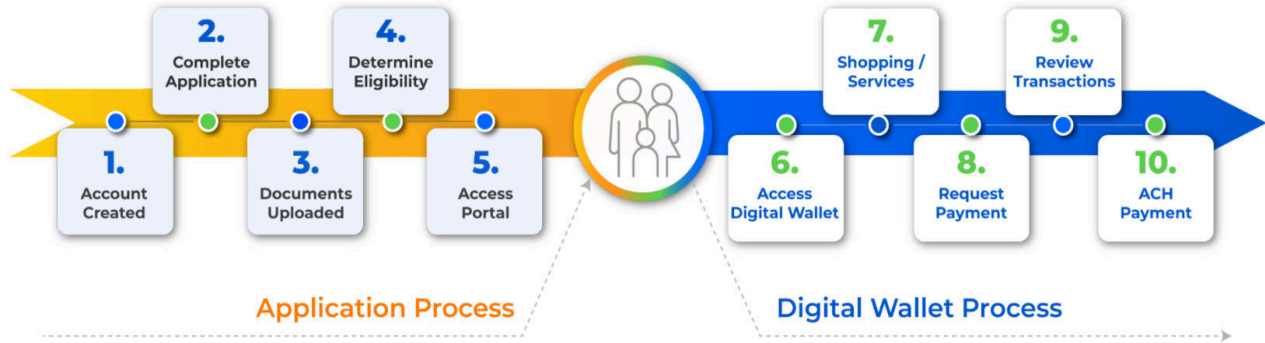
Claim of Expertise:	Expedient Implementation & Transition Experience: ClassWallet has been the trusted contractor in transitioning 2 ESA and education grant programs from a previous contractor. Our success is due to our expertise and robust staff.												
Documented Performance:	<ul style="list-style-type: none"> • Transitioned the Arizona ESA in 2019 from Bank of America and Idaho Grant program in 2024 from Odyssey (After a turbulent start, state makes a change on Empowering Parents contract - Kevin Richert 10/02/2024) • Launched Arkansas EFA program, the South Carolina ESA, and the Alabama ESA all within 30 days from signing contract <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 20%; background-color: #FFD700;">Clearly establishes reliability and capability</td> <td colspan="2" style="background-color: #FFD700;">Suggests, but does NOT clearly establish reliability and capability</td> </tr> <tr> <td></td> <td style="background-color: #0070C0; color: white;">ClassWallet (inclusive of subcontractor)</td> <td style="background-color: #0070C0; color: white;">Odyssey - Student First</td> <td style="background-color: #0070C0; color: white;">Merit</td> </tr> <tr> <td style="background-color: #0070C0; color: white;">Staff Size*</td> <td style="text-align: center;">400-1,000</td> <td style="text-align: center;">11 - 50</td> <td style="text-align: center;">51 - 200</td> </tr> </table> <p style="font-size: small; margin-top: 5px;">* According to LinkedIn as of August 30, 2024</p>		Clearly establishes reliability and capability	Suggests, but does NOT clearly establish reliability and capability			ClassWallet (inclusive of subcontractor)	Odyssey - Student First	Merit	Staff Size*	400-1,000	11 - 50	51 - 200
	Clearly establishes reliability and capability	Suggests, but does NOT clearly establish reliability and capability											
	ClassWallet (inclusive of subcontractor)	Odyssey - Student First	Merit										
Staff Size*	400-1,000	11 - 50	51 - 200										

Claim of Expertise:	Award-Winning Customer Support. ClassWallet meets the highest standards of customer support validated by recognition from J.D. Power as being “best in class.”												
Documented Performance:	<ul style="list-style-type: none"> • Average speed to answer = 23 seconds • Average case resolution time = 4.22 hours • 94% of inquiries are resolved in the first interaction • Customer Satisfaction rated “excellent” (CSAT score-90.63%) <div style="text-align: right; margin-bottom: 10px;">  </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 20%; background-color: #FFD700;">Clearly establishes reliability and capability</td> <td colspan="2" style="background-color: #FFD700;">Suggests, but does NOT clearly establish reliability and capability</td> </tr> <tr> <td></td> <td style="background-color: #0070C0; color: white;">ClassWallet</td> <td colspan="2" style="background-color: #0070C0; color: white;">Odyssey - Student First - Merit</td> </tr> <tr> <td style="background-color: #0070C0; color: white;">Proof of Outstanding Customer Support</td> <td style="text-align: center;">Recognized by J.D. Power, the industry “gold standard” for recognition of excellent customer service</td> <td colspan="2" style="text-align: center;">Not recognized by J.D. Power</td> </tr> </table>		Clearly establishes reliability and capability	Suggests, but does NOT clearly establish reliability and capability			ClassWallet	Odyssey - Student First - Merit		Proof of Outstanding Customer Support	Recognized by J.D. Power, the industry “gold standard” for recognition of excellent customer service	Not recognized by J.D. Power	
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	ClassWallet	Odyssey - Student First - Merit											
Proof of Outstanding Customer Support	Recognized by J.D. Power, the industry “gold standard” for recognition of excellent customer service	Not recognized by J.D. Power											

INFORMATION FOR EVALUATION – SOLUTION

ClassWallet intimately understands the position Arkansas is in and we are deeply passionate about once again being your contractor of choice. We ask that Arkansas consider our proven claims of expertise, the strong foundation built with ClassWallet for the EFA and LTG in 2023-24, and our seamless solution as outlined below.

Proven End-to-End Solution. From application to digital wallet, ClassWallet delivers a seamless solution. It is specifically designed to reduce the burden on Arkansas administrators while delivering a user-friendly experience for families, schools, and educational service providers - *in real-time*.



Streamlined Application Qualification Process. As the current provider to over 60+ organizations and 18,000 students in private and faith-based schools *in Arkansas*, many families are already familiar with our application software. Our user-friendly application process enables easy user account creation, application completion (including alternative submission methods) and a swift eligibility review via state APIs (in line with RFP) and our application specialist team. Key application features include cloud-based functionality, customizable data fields, ease of use to save and return, custom state rules, multi-student household support, API configuration (including to the IRS), detailed reporting and record-keeping for program administrators, document upload, mobile functionality, and strict security. The application is available in both English and Spanish and can be branded to Arkansas. Families are supported each step of the way with a 100+ multi-tiered bilingual team that is already familiar with and trained on EFA and LTG and we proudly meet WCAG 2.2 standards. The State will have an experienced team issuing qualification decisions in line with State rules. We can transition on time with minimal disruption to Arkansas families and State administrators.

Proven Digital Wallet Process. ClassWallet provides the leading funds disbursement platform (digital wallet) purpose-built for public agencies like the Arkansas DESE. We've disbursed over \$4.2B in public funds. **Our patented digital wallet is simple, secure, and designed for scale with single sign-on to the application.**

The State

As Arkansas continues to scale, having **experienced support, proven technology, and real-time data insights will catapult EFA and LTG into gold-standard programs.** Through a custom dashboard, the State has access to **on-demand reports** and can assign user roles to ensure the right people access the right data. ClassWallet's in-house technology and team of data scientists provide Arkansas with detailed, **real-time data insights** on program usage and effectiveness, enabling expedient, data-driven decision-making. In addition to our robust reporting, we **provide innovative tools to minimize the workload of State admins.**

This allows for families to get what they need quickly, and for faster processing of payments/reimbursements and fraud prevention. We can also provide a **dedicated Validation Services team** whose primary focus is to review transactions and schools/service providers for compliance, further boosting program integrity. ClassWallet is the **ONLY contractor in the ESA space that adheres to NIST standards with third-party verification**, providing the State with industry-leading data security. We know Arkansas is not alone in overcoming challenges with a start-up contractor such as **Student First**. Idaho contracted with another startup, **Odyssey**, for a similar grant program for families. Last month, Idaho terminated its contract with Odyssey and announced it would be replacing Odyssey with ClassWallet. ClassWallet is the **ONLY established vendor in the ESA space that has not had a State contract terminated for cause or rebid in lieu of the State exercising an available option to extend or renew an initial term.** This is why we firmly maintain we are the most reliable and capable partner for the State.

Families

In serving over 900,000+ users nationally, the #1 response we hear is “ClassWallet is easy to use.” Our digital wallet is designed to offer a **seamless experience** for families and is engineered to protect their data privacy. Upon program eligibility, families will follow a simple account creation process to **quickly access, use, and monitor their funds in real-time using a computer, tablet, or smartphone**, unlike some competitors whose platform cannot operate fully on mobile (e.g., use of plug-ins). In fact, over 29% of Arkansas families do not have access to a computer making mobile access paramount to equitable access. Our digital wallet is available in English and Spanish, aligned to WCAG 2.1 standards, and provides families with a LARGE open marketplace of service providers and over 90 top education retailers nationwide. We proudly have 570+ ADE-approved vendors ready to go from day one. We also boast long-standing relationships with many of the most popular retailers for families, such as Amazon, with free shipping for 80% of ecommerce orders, placing \$22M+ back into the pockets of families. **Arkansas families can confidently spend on our platform with a curated, State-approved marketplace, automation tools to instantly determine eligibility, and instant, secure check-out backed by our strict NIST security protocols.** They will also have access to our 100+ bilingual customer support team, live training, and an on-demand training portal. Arkansas EFA and LTG families are extremely satisfied with ClassWallet, indicative of our **90.63% Arkansas Customer Satisfaction Score (CSAT)** from 2023-24.

Education Service Providers

We make it simple for schools and service providers to service families and to securely and quickly receive (and reconcile) payments.

	Quick & Easy	NOT Quick & Easy	
	ClassWallet	Odyssey*	Student First - Merit
School and Service Provider Payment Terms	Next Day	Net 30 - begins when vendor uploads a valid tracking # or receipt	State may wish to verify
Reconciliation	Automated	Vendors provide a monthly invoice for reconciliation. This must be sent to invoices@withodyssey.com on the 5th of every month	
Vendor Integration	Automated	Must upload CSV file with details on marketplace_type, product_sku, and 15+ other categories (see here)	State may wish to verify

* According to publicly available information

Over 570+ vendors are already approved for the EFA and LTG program and are familiar with our platform which supports large, universal programs requiring thousands of providers to maximize choice and support for families. We are prepared for Arkansas’ continued growth. On top of a **custom dashboard with robust reporting** and receiving **best-in-class training and support from our dedicated Vendor Support team**, service providers can integrate and promote their services and securely receive payments. With our refined onboarding experience, most approved vendors can onboard within a day or two. Even further, our system ensures that ACH payments to vendors and schools are processed within 48 hours of authorization by the State. **We are proud to share that ClassWallet has successfully onboarded and served over 12,500 schools and service providers across the nation.**

Maximum Support to All Stakeholders. The Customer Care team is available via phone, chat, and email and already equipped with robust Arkansas program training resources to optimize the user experience. Customer Care hours: Monday-Friday, 7:00am - 7:00pm CST (digital wallet and application) and Saturday 9:00am - 3:00pm CST (digital wallet only). Key Performance Indicators (KPIs) are available for the State to monitor.

Industry-Leading Data Security. We are NIST compliant, aligning with the highest standards of data security in the industry. ClassWallet is the ONLY ESA technology partner to have passed a state NIST audit (Michigan) and is currently working through a StateRamp audit with Arizona. We are also AICPA SOC 1 Type II and SOC 2 Type II certified and employ a full-time Chief Security Officer, unique in the EFA/ESA space.

INFORMATION FOR EVALUATION – RISK :

Risk Description:	New families, schools, and vendors will be unfamiliar with the existing ClassWallet platform.
Solution:	ClassWallet demonstrated its reliability and capability to render this risk a non-issue when ClassWallet was the contractor for the launch of the EFA & LTG programs in 2023-24. Parents rated their experience with the platform as “ great ” (NPS score = 50) and with customer support as “ excellent ” (CSAT score = 90%). ClassWallet support and training have proven very effective. ClassWallet will continue to leverage and enhance the on-demand training, custom communication, and high-performing customer service to each critical stakeholder, ensuring all parties engaged with the programs are well-informed and comfortable on what to do.
Documented Performance:	<ul style="list-style-type: none"> ■ In 2023-24, we held weekly working sessions with the State to implement the EFA & LTG programs. This included: Platform demonstrations, administrator training, a customized invoice calculator, affidavit and invoice submission reminders and family and provider webinars. Our platform will continue to be configured to the program for optimal experience and support, including messaging, FAQs, on-demand videos, and customer care at a click for families. The State can monitor and manage activities <i>in real-time</i> from its dashboard. ■ In 2023-24, Arkansas families appreciated our step-by-step process instructions and live support with Q&A. We crafted customized resources that included welcome emails to families and providers, invoice submission reminders, affidavit reminders, training guides, comprehensive knowledge base articles, and live webinars including Q&A opportunities designed <i>for each stakeholder group</i>. ClassWallet will assess ongoing training needs, particularly for families who are new to the programs. ■ Customer Care metrics across Arkansas <i>exceed every industry-best standard</i>: <ul style="list-style-type: none"> # Customer Satisfaction Score (CSAT) = 90.63% # Average-speed-to-answer = 23 seconds # Agent Satisfaction Score = 97.78% # Average Case Resolution Time = 4.22 hours

Risk Description:	Families in underserved and rural communities may be less likely to participate in the EFA program and/or take full advantage of the LTG.
Solution:	Through ClassWallet’s partnership with Outschool.org , we will build a highly targeted awareness campaign backed by data to recruit low-income families, rural families, those attending D/F schools and/or who come from marginalized communities to ensure maximum participation and equitable access. For families who opt to receive personalized assistance, we will provide robust, hands-on support to encourage spend, maximizing the impact of both programs.
Documented Performance:	<p>Our experience helping administer both education savings accounts and tutoring grant programs across the country has shown us that low-income families, rural families, non-native English speakers and other families from marginalized communities are often the slowest to participate and fully utilize funds. Example: In Virginia’s Learning Acceleration Grant Program, the largest tutoring microgrant program in the nation with more than 30K participants, we were able to:</p> <ul style="list-style-type: none"> ● Double the monthly average spend per learner through robust resources and one-on-one coaching. ● Help thousands of low-income families secure \$4M in tutoring and other resources for their student(s). <p><i>“Outschool.org is ready to offer guidance and support to families in Arkansas enrolled in the EFA and LTG programs. With a history of working hand-in-hand with ClassWallet and state agencies in both Virginia and South Carolina, we have improved family engagement and utilization of ESA and tutoring programs through our full suite of navigation tools.” - Morgan Camu, Director of Programs, Outschool.org</i></p>

Risk Description:	ADE administrators may be overly burdened as the program grows.
Solution:	ClassWallet does all the work. ClassWallet will manage the family and provider applications, review and qualification, programmatic communications, family onboarding, the school and service provider qualification review and onboarding, ecommerce vendor onboarding, the

	expense qualification review, all customer support tickets, reporting, and more. As the program grows, ADE will not have to increase staff or administrative costs.
Documented Performance:	ClassWallet provides full end-to-end support as described above for ESA and tutoring grant programs in Alabama, Idaho, South Carolina, Missouri, and Virginia. Other ClassWallet ESA clients such as Arizona, choose to manage applications and other aspects of its program in-house. <i>(Competitor bids may attempt to highlight Arizona Department of Education staffing as related to ClassWallet, whereas Arizona's staffing is a product of what the State has historically managed internally.)</i> Each state has a unique management culture. ClassWallet's expansive offering is flexible to meet the widest and narrowest of program needs specific to each client.
Risk Description:	Long-term financial stability of the Contractor is paramount with hundreds of millions of dollars in public funds being handled. It is critical for the State to select a vendor that exhibits financial strength so as not to introduce the risk of failure or service disruption for the families being positively impacted by this program.
Solution:	In an environment where other ESA contractors are start-ups (Odyssey's first and only ESA client - Iowa - launched in 2022, Student First's first ESA client - Tennessee, also launched in 2022) it is recommended the State consider requiring all Contractors to provide documentation of financial stability and/or strength, such as audited financials from nationally recognized firms. Financial strength and protection are critical to supporting a State committing hundreds of millions in public funds for years into the future.
Documented Performance:	Formed in 2014, ClassWallet has been consistently profitable, and is audited by RSM, one of the world's most respected and largest auditing firms. ClassWallet can immediately produce audited financial statement(s) for the State, subject to appropriate confidentiality restrictions. In addition, ClassWallet proactively employs robust financial risk protection measures such as adequate insurance, reputable and monitored financial partnerships, and additional strategies to protect significant amounts of public funds.



Equal Employment Opportunity

ClassWallet believes that all persons are entitled to equal employment opportunity and does not discriminate against its employees or applicants because of such individual's race, color, religion, sex (including gender), sexual orientation, national origin, ancestry, age, marital status, disability, veteran status, genetic information, or any other basis prohibited by federal, state or local law. Equal employment opportunity will be extended to all persons in all aspects of the ClassWallet-employee relationship, including recruitment, employment, training, promotion, transfer, corrective action, working conditions, compensation, employee benefits, layoff, and termination.

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR: _____ SUBCONTRACTOR NAME: _____

Yes No

TAXPAYER ID NAME: Kleo, Inc d/b/a ClassWallet IS THIS FOR:
 Goods? Services? Both?

YOUR LAST NAME: Smith FIRST NAME: Bruce M.I.:

ADDRESS: 6100 Hollywood Blvd, Suite 409

CITY: Hollywood STATE: FL ZIP CODE: 33024 COUNTRY: United States

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/ commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and how are they related to you? <small>[i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]</small>	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

FOR AN ENTITY (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member								
State Employee								

None of the above applies

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature  Title President Date 10/14/2024
Vendor Contact Person Bruce Smith Title State Director, Government Phone No. 913-645-4890

Agency use only

Agency Number _____ Agency Name _____ Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____

Reset Form

Print Form

SIGNATURE CERTIFICATE



REFERENCE NUMBER

5EB796D8-E5AF-4331-9B83-EC13B21C8DD9

TRANSACTION DETAILS

Reference Number

5EB796D8-E5AF-4331-9B83-EC13B21C8DD9

Transaction Type

Signature Request

Sent At

10/14/2024 12:28 EDT

Executed At

10/14/2024 12:29 EDT

Identity Method

email

Distribution Method

email

Signed Checksum

a1ef835764b26bbaa1e28d634bc5e56d2a72c3123d16f04b7f31441a1a2e8151

Signer Sequencing

Disabled

Document Passcode

Disabled

DOCUMENT DETAILS

Document Name

S000000376 Contract and Grant Disclosure

Filename

S000000376_Contract_and_Grant_Disclosure.pdf

Pages

2 pages

Content Type

application/pdf


File Size

800 KB

Original Checksum

d8f2acd7ab4fde3109c3b496aceaae4ff23988575398083a407ba16afb232f70

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<p>Name Neil Steinhardt</p> <p>Email nsteinhardt@classwallet.com</p> <p>Components 2</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum bbd4e60b9c49b78f594e7f0632518336027f3458b5eeeacd62da7f4e61297324</p> <p>IP Address 134.6.148.131</p> <p>Device Chrome via Windows</p> <p>Drawn Signature </p> <p>Signature Reference ID B2D28302</p> <p>Signature Biometric Count 5</p>	<p>Viewed At 10/14/2024 12:28 EDT</p> <p>Identity Authenticated At 10/14/2024 12:29 EDT</p> <p>Signed At 10/14/2024 12:29 EDT</p>

AUDITS

TIMESTAMP	AUDIT
10/14/2024 12:28 EDT	Neil Steinhardt (nsteinhardt@classwallet.com) created document 'S000000376_Contract_and_Grant_Disclosure.pdf' on Chrome via Windows from 134.6.148.131.
10/14/2024 12:28 EDT	Neil Steinhardt (nsteinhardt@classwallet.com) was emailed a link to sign.
10/14/2024 12:28 EDT	Neil Steinhardt (nsteinhardt@classwallet.com) viewed the document on Chrome via Windows from 134.6.148.131.
10/14/2024 12:29 EDT	Neil Steinhardt (nsteinhardt@classwallet.com) authenticated via email on Chrome via Windows from 134.6.148.131.
10/14/2024 12:29 EDT	Neil Steinhardt (nsteinhardt@classwallet.com) signed the document on Chrome via Windows from 134.6.148.131.

Official Solicitation Price Sheet

S000000376 **ONLINE PLATFORM FOR EFAS AND LTGS**

Prospective Contractor Name: ClassWallet

TABLE 1: TOTAL SEVEN-YEAR COST (to be used in determining Cost Points)

Description	All-Inclusive Estimated Seven-Year Grand Total
Online Platform for EFAs and LTGs	\$ 13,996,250.00

TABLE 2: COST BREAKDOWN

Item	Description	Year 1 Annual Cost 2024 - 2025	Year 2 Annual Cost 2025 - 2026	Year 3 Annual Cost 2026 - 2027	Year 4 Annual Cost 2027 - 2028	Year 5 Annual Cost 2028 - 2029	Year 6 Annual Cost 2029 - 2030	Year 7 Annual Cost 2030 - 2031	Total Cost
1	Implementation Fee	\$ 75,000.00	N/A	N/A	N/A	N/A	N/A	N/A	\$ 75,000.00
2	Testing Fee	Included	Included	Included	Included	Included	Included	Included	\$ -
3	Data Migration/Conversion Fee	Included	Included	Included	Included	Included	Included	Included	\$ -
4	Maintenance and Support Fee	Included	Included	Included	Included	Included	Included	Included	\$ -
5	Training Fee	Included	Included	Included	Included	Included	Included	Included	\$ -
6	Annual Licensing Fee EFAs (14,297)	Included	Included	Included	Included	Included	Included	Included	\$ -
7	Annual Licensing Fee LTGs (17,000)	Included	Included	Included	Included	Included	Included	Included	\$ -
8									\$ -
9									\$ -
10									\$ -
11									\$ -
12									\$ -
13									\$ -
14									\$ -
15									\$ -
16									\$ -
SUB-TOTAL									\$ 75,000.00

TABLE 3: PERCENTAGE-BASED COST

Item	Description	Scholarship Funding	Whole	Total Cost
17	EFAs	\$ 99,000,000	1.85%	\$ 1,831,500.00
18	LTGs	\$ 8,500,000	1.85%	\$ 157,250.00
SUB-TOTAL				\$ 13,921,250.00

Transaction Fee Option 1 (School/Vendor fee):

A 1.85% settlement fee is assessed on ACH payments to vendors and schools who choose to participate in the EFA and LTG program. The fee is not charged to families or the ADE.

Transaction Fee Option 2 (State fee): If ADE

prefers, the 1.85% settlement fee may be assessed to the state and will be invoiced quarterly. In this approach, vendors and schools will not be charged any fees.

Important Note: For ACH payments, ClassWallet utilizes its own proprietary payment method, so vendors and schools are not required to create an account with Stripe or a similar third party payment processing provider as required by some competitors.