



Arkansas Department of Education

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Sarah Huckabee Sanders
Governor

Jacob Oliva
Secretary

September 16, 2024

Mr. Mark Duran
Co-Founder & CEO
SID3CAR Co., d.b.a. Student First Technologies
304 W Kirkwood Ave., Suite 101
Bloomington, IN 47404

Re: Online Platform for Education Freedom Accounts & Literacy Tutoring Grants

Mr. Duran:

I am writing this letter to express my concern regarding missed deadlines by Student First Technologies (hereafter “Student First”) in the rollout of Year Two of the State’s Education Freedom Account Program (hereafter the “Program”). More specifically, I am writing to notify Student First of its failure to perform the following obligations under the State Contract (hereafter the “Contract”) and the Department’s next steps if the following deficiencies are not cured by Student First.¹

As part of the Contract, Student First agreed to abide by specific performance standards set forth in the Contract.² Among them, Student First agreed to provide fully operational student and vendor application portals within forty-five (45) days of the contract award. The foregoing Contract was signed on March 29, 2024, and reviewed by the Arkansas General Assembly on April 16, 2024. Consequently, Student First was expected to provide fully operational student and vendor application portals as early as May 13, 2024, but certainly no later than May 31, 2024. Additionally, under the same performance standards, Student First agreed to provide a fully operational electronic portal for fund disbursement, expense submission, and review of expenses by June 30, 2024.

I have been informed by Department staff that Student First has failed to meet the Contract deadlines in the following manner. As to the first performance standard, it is my understanding that Student First made available a fully operational student application for the first time on July 29, 2024, fifty-nine (59) days after the May 31, 2024, deadline. Additionally, it is my understanding that Student First made available a fully operational participating school application for the first time on July 22, 2024, fifty-two (52) days after the May 31, 2024, deadline. Lastly, it is my understanding that Student First has yet to make available a fully operational vendor application, meaning that as of the time I am writing this letter Student First is overdue on this item by one-hundred-and-five (105) days after the May 31, 2024, deadline.

As to the second performance standard, it is my understanding that Student First made a fully operational fund disbursement platform on or about August 19, 2024, fifty (50) days after the June 30, 2024, deadline. It is also my understanding Student First made a fully operational expense submission platform for private schools and enrolled families on or about August 23, 2024, fifty-four (54) days after the June 30, 2024, deadline. Lastly, it is my understanding that Student First has yet to make available a fully

¹ State Contract at 3. See § 7C.

² State Contract at 98.

operational expense submission platform for homeschool families, meaning that as of the time I am writing this letter Student First is overdue on this item by seventy-five (75) days after the June 30, 2024, deadline.

The performance standards provide that Student First may be assessed damages at \$1,000 per calendar day for each calendar day Student First fails to meet a deadline. To date and by the Department's calculations, the sum amounts to \$395,000 and counting. Consequently, please remit a payment to the Department in the sum of \$395,000 plus the difference in days from the date of this letter and the date you postmark the check by in order to address these delays. Additionally, the Department will continue to assess additional damages to address Student First's failure to provide a fully operational vendor application and expense submission platform for homeschool families until those systems are fully operational.

The Contract provides the Department may move to terminate the Contract for convenience or for cause.³ Given Student First's delays in the implementation of Year Two of the Program, the Department is reminding Student First of its commitment to meet performance standards and providing notice to Student First of its intention to utilize the foregoing provisions of the Contract if deficiencies are not cured or if additional delays occur.

Please remit the foregoing payment for assessed damages by Friday, September 20, 2024. Additionally, please cure any and all deficiencies listed in this letter by Tuesday, October 1, 2024. Failure to remit payment or cure the deficiencies listed in this letter will result in the Department invoking the foregoing termination and cancelation clauses.

Respectfully,



Jacob Oliva
Secretary, Arkansas Department of Education

Cc: The Honorable Sarah Huckabee Sanders, Governor of Arkansas
Jessica Patterson, State Procurement Director
Senator Terry Rice, Co-Chair, Arkansas Legislative Council
Representative Jeff Wardlaw, Co-Chair, Arkansas Legislative Council

³ State Contract at 3. See §§ 7B and 7C.