

**Fact Sheet**  
**Chicago Pay for Success/Social Impact Bond Program**  
April 21, 2016

Overview

- All children deserve to achieve their full potential, and a strong body of research demonstrates the profound impact that early childhood education in has in terms of a child's future academic success. However, many children who could benefit the most from high quality pre-kindergarten programs often don't have access to these opportunities. By strategically expanding an evidence-based model in areas of need, the Pay for Success (PFS) model enables improved access to for families in need, while providing an opportunity to learn from outcomes to inform and strengthen the City of Chicago's early learning and pre-kindergarten programming portfolio.
- Chicago's first PFS program will make it possible for more than 2,600 at-risk children and their families, over four years, to benefit from the Child-Parent Center's (CPC) high-quality early childhood education services and enhanced parent engagement resources.
- This report measured kindergarten readiness for the first cohort of students who participated in CPC preschool in 2014-15. Evaluation of the first cohort will be used to compare performance of future cohorts of students participating in the project.

First Performance Report

- According to a report released by independent evaluator, SRI International, the findings indicate that 59 percent of the children who participated in CPC preschool during 2014-15 had kindergarten readiness ratings that met or exceeded national averages. This exceeds expectations, as detailed in the Payment Calculation document.
- Kindergarten readiness was determined by teacher ratings of children's skills and abilities across six domains of development, including literacy, language, mathematics, cognitive development, socio-emotional well-being and physical health. The Teaching Strategies (TS) Gold assessment system is a tool used throughout CPS and provides norms for determining whether children meet or exceed a national average in each area. Using five of the six metrics to indicate kindergarten readiness is a higher standard than other research that has used four of six as the measure of kindergarten readiness.
- SRI International will continue to evaluate student performance through 2020 by tracking kindergarten readiness in the spring of preschool for three additional cohorts, third-grade literacy (PARCC) in the spring of third-grade and the special education rate each year beginning in kindergarten.
- The PFS project started in January 2015, which added or converted classrooms at six locations to the CPC model. Therefore students in the newly added or converted CPC classrooms – as provided by the PFS project – were enrolled for only a portion of the academic year. As a result, students who participated in the expanded CPC program provided by PFS are not included in the first SRI International evaluation report. However, these students and all subsequent cohorts will be evaluated annually throughout the project.

### About the Project

- The high-quality CPC preschool program, with enhanced parent engagement resources provided by Metropolitan Family Services, is designed to better prepare at-risk students to achieve their full potential in school and in life. CPC programming offers a unique wrap-around program to engage parents and families in a child's education, and demonstrates stronger enrollment and kindergarten readiness rates than other comparative programs.
- The SRI International report evaluates the first cohort of CPC children that is part of a four year project using the innovative Pay for Success model. Also known as a social impact bond (SIB), PFS is a funding mechanism designed to offer opportunities for families in high-need communities by expanding access to evidence-based programs, such as Chicago's high-quality CPC program.
- Chicago's PFS/SIB program provides nearly \$17 million to increase access to CPC's high-quality program by creating approximately 2,600 new slots and funding approximately 75 full-time CPS teaching and support positions, and through enhanced parental engagement services provided by Metropolitan Family Services.
- The project was formed in 2014 as a partnership between the City of Chicago, Metropolitan Family Services and IFF as the project coordinator and intermediary, with financing from the Goldman Sachs Social Impact Fund, Northern Trust and the J.B. and M.K. Pritzker Family Foundation.
- The first SIB repayment will occur in March 2017 with payments determined by the outcome of the first two cohorts of students and whether performance meets or exceeds the success metrics for kindergarten readiness, third-grade literacy and special education placement. The project's private investors will be repaid based on whether the program meets its success goals. If it falls short, investors could lose up to their full investment and taxpayers would owe nothing.

### About the CPC Sites

- During the 2014-2015 school year, the PFS project created five new CPC classrooms and converted six existing classrooms to the CPC model. One new classroom was added at each of the following CPC elementary schools: Fiske, Peck, Melody, De Diego and Thomas. Additionally, six classrooms at Hanson Park were converted to the CPC model, enabling CPS to add other classrooms across the city.
- Child-Parent Centers provide an extensive support system for high-need families. Classrooms are staffed with a teacher and an assistant with class sizes of seventeen students for a half-day program (two to three hours) to 20 students for a full-day program (seven hours).
- At CPC sites, parents are required to volunteer 2 ½ hours a week. The program uses the Creative Curriculum™ and the Teaching Strategies Gold™ curriculum and formative assessment systems. Centers are rated for quality under the ExceleRate Illinois™ quality rating improvement system. The CPC program promotes aligned curriculum, intensive family supports and services, parent involvement and engagement, effective learning experiences, and a professional development system for teachers.
- Metropolitan Family Services (MFS) provides onsite coaching support for parent engagement. Supports include assistance with the creation of an updated Family Needs Assessment and

analysis of the data for program planning, Parent Engagement training for Parent Resource Teachers, Trauma Prevention Training for all levels of CPC staff, and the creation of Lending Libraries in Child-Parent Centers. In addition, an interactive online database was established to serve as a centralized information-sharing warehouse which provides CPC teams with tools and a structure for information-sharing, regular reporting, and more standardized outcomes tracking.

- Research from the University of Minnesota on the Chicago CPC model indicates that the CPC model is significantly more effective at ensuring children are achieving kindergarten readiness, as measured by TS Gold. Almost 20 percent more children enrolled in the CPC's leave preschool ready to be successful in kindergarten than their peers in other early childhood programs at CPS.

#### Economic Benefits

- Investment in high-quality early childhood education returns more than \$7 in benefits for every \$1 invested by reducing the future costs of remedial and special education spending, crime and imprisonment, and improving health outcomes.<sup>i</sup>
- Students in high-quality early childhood education programs are up to 25 percent more likely to stay in school, 60 percent more likely to attend college, 40 percent less likely to become a teen parent, and 70 percent less likely to be arrested for a violent crime.<sup>ii</sup>

#### Lessons Learned

- Based on the efforts to recruit and enroll children in the PFS project, the City of Chicago and Chicago Public Schools intend to use lessons learned at CPC to improve the recruitment and enrollment strategies city-wide in order to further eliminate barriers families may experience in enrolling in pre-kindergarten programming. For example, this could include implementing a system to better support the school-based staff, who have the closest interactions with families and can best reach and recruit them.
- CPC implementation in Chicago has already demonstrated improved enrollment and retention. Pending the results of the PFS project, the City of Chicago and Chicago Public Schools may seek to expand preschool opportunities using elements of the CPC model in areas of high need, such as the enhanced family engagement through a partnership like the one with Metropolitan Family Services, as it works to strengthen the quality of its programs for families citywide.

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<sup>i</sup> Reynolds, A. J., Temple, J. A., Robertson, D. L., & Mann, E.A. (2002). Age 21 cost-benefit analysis of the Title I Chicago Child Parent Centers. *Education Evaluation and Policy Analysis*, 24, 267-303.

<sup>ii</sup> Ounce of Prevention. "Why Investments in Early Childhood Work." Accessed March 24, 2016. <http://www.theounce.org/who-we-are/why-investments-in-early-childhood-work>.