

U.S. Department of Education
Washington, D.C. 20202-5335



**APPLICATION FOR GRANTS
UNDER THE**

Preschool Pay For Success Feasibility Pilot Grant

CFDA # 84.419C

PR/Award # S419C170016

Grants.gov Tracking#: GRANT12263687

OMB No. 1810-0728, Expiration Date: 08/31/2019

Closing Date: Oct 06, 2016

**U.S. DEPARTMENT OF EDUCATION
BUDGET INFORMATION
NON-CONSTRUCTION PROGRAMS**

OMB Number: 1894-0008
Expiration Date: 06/30/2017

Name of Institution/Organization

Ventura County Office of Education

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

**SECTION A - BUDGET SUMMARY
U.S. DEPARTMENT OF EDUCATION FUNDS**

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs*						
11. Training Stipends						
12. Total Costs (lines 9-11)						

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No

(2) If yes, please provide the following information:

Period Covered by the Indirect Cost Rate Agreement: From: 07/01/2016 To: 06/30/2017 (mm/dd/yyyy)

Approving Federal agency: ED Other (please specify):

The Indirect Cost Rate is %.

(3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? Yes No If yes, you must comply with the requirements of 2 CFR § 200.414(f).

(4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? Yes No If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.

(5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:

Is included in your approved Indirect Cost Rate Agreement? Or, Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is %.

PR/Award # S419C170016

Name of Institution/Organization Ventura County Office of Education	Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.
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**SECTION B - BUDGET SUMMARY
NON-FEDERAL FUNDS**

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs						
11. Training Stipends						
12. Total Costs (lines 9-11)						

SECTION C - BUDGET NARRATIVE (see instructions)

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Project Abstract

Project objectives and activities

First 5 Ventura County (F5VC), in partnership with the Ventura County Office of Education as the fiscal agent, is proposing the completion of a Pay for Success (PFS) Feasibility Study pilot grant to determine the viability of using PFS financing to expand high-quality preschool to the nearly 50 percent of Ventura County children who currently do not have access. F5VC has created a comprehensive strategic plan for early learning services based on extensive needs assessments. This process resulted in the prioritization of school readiness by improving the quality and availability of preschool experiences.

During F5VC's history, approximately 1,600 additional preschool spaces for 3- and 4-year olds have been made available annually through partnerships with community organizations and school districts. F5VC uses a mixed-delivery, collaborative model with funding traditionally provided by Proposition 10 tobacco tax revenues. F5VC has become less reliant on this funding as revenues continue to decline and F5VC recognizes that alternative funding streams are required to sustain its investment in preschool. Additionally, the Pay for Success feasibility study would identify strategies for expanding preschool access to the nearly 6,500 children in Ventura County whose families' income meets eligibility requirements for a publicly funded space but can't access such a space due to lack of capacity. By prioritizing high-quality preschool slots for children with risk factors associated with lower academic achievement, children can be prepared for productive lives while enabling their parents to work or attend school. Pay for Success financing, therefore, is viewed by the PFS partnership as a potential strategy to maintain and expand publicly funded high-quality preschool. Furthermore, the proposed feasibility study allows Ventura County the chance to evaluate and strengthen data systems and infrastructure needed to better track children's outcomes.

First 5 Ventura County has established strong partnerships that will be the base of the Pay for Success Preschool Partnership. The PFS Partnership will be formed around partners in

the County Departments of Child Welfare and Health; an evaluator; a consultant with extensive early childhood PFS experience who conducts the feasibility study process; early childhood service providers; and other philanthropic and civic organizations.

The proposed project will be made up of the following activities: identification of outcome(s) sought; assessment of community needs, assets, and capacity; identification of a challenge(s) or barrier(s) for serving the particular population; determination of the total costs associated with the lack of intervention; identification of interventions that can achieve the desired outcome(s); projection of the potential public value; determination of the willingness and capacity of stakeholders to implement a PFS project; and development of a rigorous evaluation methodology to determine if the selected outcome measures have been achieved. Throughout the process, the Partnership will engage stakeholders to ensure buy-in to the PFS project, gather their expertise, and receive feedback on the feasibility study. Strategies to achieve these goals and activities are outlined in detail in the application.

Applicable priorities

This project will focus on the applicable priority of completing a Preschool PFS Feasibility Study and the competitive preference priority of including social and emotional outcome measures.

Proposed project outcomes

The project would focus on improved kindergarten readiness across the domains of language and literacy, mathematics, self-regulation, and English language development, among others. F5VC has a demonstrated track record of preparing children for kindergarten, with 70 percent of enrollees deemed “school ready” across all domains of the Desired Results Developmental Profile (DRDP). Students’ growth on the multi-domain measure indicates the success of the preschool programs in fully preparing children for school. The domains measured by the DRDP are potential project outcomes. In addition, proposed outcomes include improved math, language and literacy skills by 3rd grade.

Application Narrative**(a) Need for Project**

First 5 Ventura County (F5VC) in partnership with the Ventura County Office of Education (VCOE) seeks to receive a Pay for Success (PFS) Feasibility Study pilot grant to determine the viability of using a PFS approach to expand high-quality preschool to the nearly 50 percent of children in Ventura County who do not currently have access to quality preschool. First 5 Ventura County (F5VC) was established under the California Children and Families Act of 1998 (Proposition 10), utilizing funds from a tobacco tax to promote school readiness through investments in health, early learning, family strengthening for children prenatal to age 5. The Ventura County Office of Education is committed to expanding access to quality education for all. VCOE provides fiscal, training and technology support services to local school districts, helping to maintain and improve lifelong educational opportunities. VCOE offers an extensive calendar of professional development and educational courses and seminars and operates schools that serve educationally disadvantaged students, provide career education programs and coordinate countywide academic competitions. VCOE will serve as the fiscal agent and direct recipient of federal Pay For Success Feasibility Study grant funds with First 5 Ventura County as the sub-recipient, who will be responsible for administering and coordinating grant activities.

The Need for Assistance

Ventura County is an increasingly diverse county that is experiencing one of the fastest growth rates in the state of California. The 2015 U.S. Census American Community Survey shows that there are 58,167 children under the age of 6 in Ventura County, with 18 percent of those children living in poverty; in some areas of the county, poverty levels are 30 percent for families with young children.

According to the 2015 Local Planning Council of Ventura County's Child Care Needs Assessment, there are a total of 975 licensed early childhood programs in Ventura County, including 305 licensed centers, with 12,541 spaces for preschool aged children and 670 licensed family child care programs with 6,522 spaces. Within licensed programs, there are 4,997 subsidized spaces available for the nearly 10,500 children living in poverty. Approximately 38,000 or 67%, of children under the age of 6 have parents who work outside of the home and need early childhood education programs all or most of the day.

Demographics of children birth to five in Ventura County are detailed below:

Table 1: Young Children in Ventura County

Number of children in poverty (below 100% of the poverty level)	10,528
Racial composition of children in poverty (Percent)	
White	6.1%
African American	21.6%
Hispanic	24.4%
Other	23.1%
Monolingual Spanish Speaking Households	8%
Speak a language other than English	38.2%
Speak English less than “very well”	16.3%
Family Structure	
2 parent family	15,779
Single parent: headed by mother	3,138
Single parent: headed by father	1,950

The Need: Large Disparities in Well-Being

A number of factors known to have long-lasting negative effects on a child’s success in school and prospects later in life constitute a locally developed measure of disparity, also known as the “Misery Index”. The index is comprised of eight socioeconomic indicators and applied to 11 geographically defined areas called the First 5 Neighborhoods for Learning (or NfLs) in Ventura County. The eight indicators are:

- poverty rate among children age 5 and under;
- percentage of women-led households with children 5 and younger who are below the poverty line;
- percentage of adults 25 and older without a high school diploma;
- percentage of people who speak English “less than very well”;
- portion of schoolchildren eligible for subsidized lunches;
- portion of students classified as English learners; and
- percentage of students who tested at “below proficient” for math and language arts.

The percentages are added together and weighted equally for the index.

This index illustrates the deep socioeconomic divides in Ventura County. At one end of the spectrum is Oak Park, where more than 98 percent of the adult population has a high school diploma, and not a single child under the age of 6 lived below the poverty line in 2011. Oak Park's score on the index — the sum of the percentages on eight different risk measures — was 37.2, less than one-third the score of the next area, the Conejo Valley. In Oxnard, El Rio and Port Hueneme the total index was more than 10 times as high as Oak Park. In El Rio, for example, 45.9 percent of households led by a woman, with children 5 or younger, were living in poverty.

A 2014-2015 survey of parents served by F5VC programs also paints a telling picture of the community, in which 75 percent of children served are from populations at risk for educational disparities. These children and families are more likely to face educational, cultural or linguistic barriers that can limit their ability to access available resources and supports. The identified risk factors include family income, home language, and mothers' level of education. In addition, programs are strategically partnering with service providers who work with homeless families and their children, and populations experiencing domestic violence, substance abuse, and child abuse and neglect. Seventy-six percent of children served were Hispanic/Latino, and nearly half of children served live in families where a language other than English is spoken in the home. Among them, 91 percent speak Spanish, 7 percent Mixteco, and 2 percent other languages.

One-third of parents/caregivers surveyed had less than a high school education, with almost half of families earning under \$20,000 per year. This is particularly concerning as low parental (especially maternal) education levels and low-income are two of the greatest risk factors for children not being ready for kindergarten.¹

For a couple living at or below the poverty level, child care for one child in Ventura County can cost 52 percent of family income; for a single parent with two children living at the poverty level, childcare costs more than they can make. Eighty-seven percent of parents in the 2015 Resources & Referral Portfolio for Ventura County report needing child care for employment purposes, while another 5 percent need childcare while they search for employment and 6 percent need childcare so they can attend school or training. The needs in Ventura County are abundantly clear. High-quality preschool slots prioritizing children from

¹ Carolan, M. & Connors-Tadros, L. (2015). Eligibility policy for state pre-K programs: Research on risk factors and approaches to developing state policy (CEELO Policy Report). New Brunswick, NJ: Center on Enhancing Early Learning Outcomes.

families facing these risk factors provide an opportunity to jumpstart child success while enabling parents to work or attend school.

The Need: Too Many Children Don't Have Access to High-Quality Preschool

Although California's – and thus Ventura County's – public investments in early care and education are increasing, large numbers of the county's neediest preschool children still do not have access to early childhood education programs. F5VC recently conducted a detailed study² on existing gaps in meeting the preschool needs of families for various income groups by zip code. The income groups are:

- At or below 100 percent of FPL (equivalent to Head Start income eligibility)
- From 101 percent up to 228 percent of FPL (equivalent to California State Preschool income eligibility)
- From 229 percent up to 400 percent of FPL (low income/working poor not eligible for publicly funded programs)

The study found that more than 11,000 children (or 49 percent) ages 3- and 4 years old from families at or below 400 percent FPL do not have access to slots in any publicly supported school readiness program, include State Preschool, Head Start or First 5 funded preschool. The gap is far greater than the overall county level in some areas, reaching as much as 80 percent in Oxnard Plains and the Santa Clara Valley.

First 5 Ventura County has long been a champion of expanding quality preschool for 4-year-olds throughout the county. Since F5VC's inception, an additional approximately 1,500 spaces have been made available annually through partnerships with community organizations and school districts. Using a mixed-delivery, collaborative model, F5VC provided 1,369 spaces in FY2014-2015, serving 1,620 children.³ As new and more sustainable public funding sources have become available in the last two years, F5VC has successfully transitioned the operating costs of preschool spaces from Proposition 10 revenues to California State Preschool Program (CSPP). As a result, F5VC was able to reduce the number of spaces funded with Proposition 10

² Damoeei, J. (2016). *Opportunities for Early Childhood Education: Looking into unmet needs of underserved communities in Ventura County*. California Lutheran University, Department of Economics, Finance and Accounting.

³ Due to turnover of children throughout the year, the number of children served typically exceeds the number of spaces. The results listed for FY 2014-15 reflect both the number of spaces and the number of children served. Close to 60 of First 5 funded spaces were successfully converted to the more sustainable State Preschool funding source. Funded partners were able to re-invest these dollars in one-time facilities set-up, creating capacity for an additional 150 State Preschool spaces in subsequent years.

revenues to 1,050 in FY 2016-17. Due to the continued decline in Proposition 10 revenues, First 5 Ventura County recognizes its inability to sustain its investment in preschool in the immediate future. Therefore, F5VC's continues to identify other payor sources to maintain and preserve the remaining approximately 1,000 spaces by FY 2019-20 and beyond.

The Need: Too Many Children Not Ready for Kindergarten

A growing number of children are arriving at school without the basic social, emotional and cognitive skills needed for success. High quality preschool is a proven solution for closing the school readiness gap before it becomes an achievement gap and leads to increasing educational attainment for children, especially those from disadvantaged families. Yet, the preschool participation rates in low-performing school districts are well below average and there are long waiting lists for the limited number of subsidized preschool spaces.

First 5 Ventura County has done extensive needs assessments and developed a comprehensive strategic plan for early learning services. One of the priorities that emerged from those needs assessments and planning process was to focus on school readiness by improving the quality and availability of preschool learning experiences. Toward this goal, First 5 Ventura County was selected by First 5 California and the California Department of Education in 2012 as one of sixteen counties in the state to participate in the federal Race to the Top Early Learning Challenge grant. Recognized as a leader in the Preschool for All and Quality Rating in Improvement System (QRIS) movement, F5VC previously received grants from the Packard Foundation, the U.S. Department of Health and Human Services' Early Learning Opportunities Act grant, and First 5 California to support the planning and implementation required to move preschool forward in the County.

In response to the severe space challenge, in 2009 the Economic Development Collaborative-Ventura County (EDC-VC) and First 5 Ventura County partnered to establish the Community Investment Loan Fund, which provides below-market financing and technical business assistance for developing licensed quality early education and preschool facilities for Ventura County's children. As a long-term investment strategy for the region's children and in economic development, the partners particularly reach out to area businesses, developers and financial institutions in an effort to further leverage the \$2.8 million investment. First 5 Ventura County is one of the first county commissions to fund early education facility loans in California and is beginning to generate significant interest within the business and developer communities. EDC-VC has developed 220 new early care and education spaces, which includes 85

infant/toddler spaces, through the First 5 Community Investment Loan Fund. While a very different model from PFS, this work with the Economic Development Collaborative demonstrates a commitment to innovative financing in service of the needs of children.

New slots alone are not enough to serve the F5VC's mission, and so F5VC also invests heavily in quality in early childhood education. F5VC partnered with the Ventura County Office of Education, with support from California's federal Race to the Top – Early Learning Challenge funds and First 5 CA's Child Signature Program, to develop a robust local quality rating and improvement system (QRIS). Four out of five participating programs in the QRIS are in the highest quality tiers; all F5VC-funded programs are in this highest tier for quality. In addition, the jointly-funded ECE Stipend Program has supported hundreds of teachers as they continue their education, leading to 135 teachers earning associates or bachelor's degree.

Proposition 10 distributions for Ventura County have been and are expected to continue to decline due to the decrease in the amount of tobacco sales within the State, smokers purchasing tobacco via the Internet, illegal sales of tobacco, and Board of Equalization administrative costs. To date, the Commission has managed declining fiscal resources through the establishment of a sustainability fund, operating reserves, leveraging of additional federal and state dollars, and Foundation funding. The sustainability fund will be exhausted by the end of FY 2018-19 and Proposition 10 revenues in FY 2019-20 are estimated to be around \$6 million, nearly half of the current operating budget. F5VC is strategically pursuing funding to maintain services for families and children.

Ventura County's Pay For Success Feasibility Study would prioritize closing the gap for the nearly 6,500 children currently not able to access a publicly funded slot, despite their family's meeting income eligibility for a public space, such as either Head Start or California State Preschool.

(b) Quality of the Preschool Program Design.

Design of the Proposed Preschool Program

F5VC works with existing preschool providers to expand the availability of high quality slots, utilizing California' Quality Rating and Improvement System (QRIS) to guide this process. The state QRIS is the centerpiece of California's Race to the Top-Early Learning Challenge (RTT-ELC) grant, supported by 17 Regional Leadership Consortia. Ventura County, led by a

partnership between First 5 Ventura County and the Ventura County Office of Education, is one of these 17 Consortia. As part of this effort, Ventura County had to commit to aligning its local QRIS to a common, statewide “Quality Continuum Framework” based on research-based elements and related assessment and improvement tools.

The California QRIS uses a number of program standards and ongoing monitoring to ensure high quality in its Tier 4 and 5 centers.⁴

- Evidence-based curriculum: The California QRIS does not specify curricula to use, but all centers at Tiers 4 and 5 must use curriculum and assessments aligned with the California Preschool Learning Foundation as well as the California Preschool Curriculum Frameworks.
- High-quality professional development for all staff: 21 hours of professional development are required annually for providers scoring in the 3-5 point ranges on the QRIS.
- High qualifications for teachers: In order to score the maximum 5 points in the teacher qualifications element, the QRIS requires “Bachelor’s degree in ECE/CD (or closely related field) OR BA/BS in any field plus/with 24 units of ECE/CD (or Master’s degree in ECE/CD) or Program Director Permit.” There are multiple combinations of qualifications for the Program Director Permit, though the first option given by the California Commission on Teacher Credentialing is: Complete a baccalaureate degree or higher; Complete six additional semester units of course work in administration and supervision of child care and development programs...; Complete two additional semester units in adult supervision course work”⁵
- Child-to-instructional staff ratio of no more than 10 to 1: Preschool classrooms cannot exceed 20 students, with a 1:8 ratio, for the highest score on this element on the QRIS. Center scoring 4 points on this element can have a ratio of 3:24 or 2:20
- Inclusion of children with disabilities: F5VC has a strong commitment to early identification and inclusion of children with special needs. Programs scoring at Tier 5 must work with families to screen all children using the ASQ (Ages and Stages

⁴ The QRIS awards points for each of 7 elements on a 1-5 scale. We only consider “high-quality” programs those that achieve at least 4 points on each element, for a composite score of either 26-31 (“Tier 4”) or 32 and above (“Tier 5”). Centers must meet the 5-point standard for teacher qualifications in order to meet the Department of Education’s definition of quality. Information of the criteria comes from: California Department of Education (2015). *California Race to the Top- Early Learning Challenge (RTT-ELC) Quality Continuum Framework. Rating matrix with elements and points for consortia common tiers 1, 3, and 4*. California Department of Education.

⁵ State of California Commission on Teacher Credentialing. (2016). *Child development permits*. <http://www.ctc.ca.gov/credentials/leaflets/cl797.pdf>

Questionnaire) and ASQ-SE (Ages and Stages Questionnaire: Social Emotional). Children's screening results are used to implement intervention strategies and adaptations as appropriate. Results are shared with the family in a confidential and supportive manner. Program staff use screening results to refer families to the appropriate agencies for further assessment, such as the local Regional Center, school district, and/or other resources.

- Inclusion of at-risk children, such as homeless children and English language learners: Across its programs, F5VC seeks to serve families and children most likely to benefit from services. Furthermore, subsidized programs are a priority for RTT-ELC services. These programs include General Child Care sites, Head Start, Early Head Start, State-funded Preschool, and Tribal sites. F5VC has worked with partners providing subsidized preschool to blend funding streams and then to triage families and use the funding stream most appropriate for them. RTT-ELC funds are designed to improve quality in sites serving children with high needs, defined in RTT-ELC as “from low-income families or otherwise in need of special assistance and support, including children who have disabilities or developmental delays; who are English learners; who reside on ‘Indian lands’; who are migrant, homeless, or in foster care; and other children as identified by the State. California includes infants and toddlers and children receiving protective services through the local county welfare department as well as children identified by a legal, medical, social service agency or emergency shelter as abused, neglected or exploited or at risk of abuse, neglect or exploitation.”
- Teacher-Child Interaction: In addition to the above program standards, an independent CLASS assessment is required to gauge teacher-child interaction. For the highest scoring centers, at 5 points, they must score at least 5.5 on emotional support and classroom organization, and at least 3.5 for instructional support in preschool age classrooms.
- Quality of Environments: Centers are also assessed with ECERS-R, with an overall required score of 5.5 in order to receive all 5 points, or a score of 5.0 for 4 points.

Evidence of Improved Student Outcomes

Under RTT-ELC, the state QRIS has undergone an independent evaluation and validation to determine whether ratings are positively correlated with higher program quality and/or can predict student developmental gains. A study was conducted by the American Institutes for

Research (AIR) and the RAND Corporation in 2014⁶, though the timeline required that the evaluation begin before the full implementation of the QRIS. Even with the limitations of this research, it provides strong theoretical evidence for outcomes to be expected from F5VC-funded preschool slots in high-quality centers. QRIS ratings were found to be positively correlated with the quality of observed classroom interaction (specifically, teacher-child interactions) for those sites that had full ratings at the time of the evaluation. Some correlation was seen between programs participating in the QRIS and impacts on child scores on literacy, mathematics, and executive function. These impacts were seen using a measure at the beginning and end of the year, but the nature of the study did not allow for comparing with children who did not participate. A slightly different methodology (using averages across individual quality elements, instead of summing) finds a slightly stronger relationship with child outcomes. Given these mild but positive results, there is reason to believe the QRIS ratings meaningfully predict quality and child outcomes. A more thorough examination of outcomes and relevant data through a PFS feasibility study would help to flesh out conclusions.

Studies about economic return on investing in early childhood education have been growing in the last decade, with many studies finding short- and long-term economic benefits. The Executive office of the President of the United States (2014) reports benefits to society of roughly \$8.60 for every \$1 spent, about half of which comes from increased earnings for children when they grow up. Nobel Laureate James Heckman has found a 7 percent to 10 percent per year return on investment based on increased school and career achievement as well as reduced costs in remedial education, health and criminal justice system expenditures. Analysts of the Chicago Child–Parent Center study estimated \$48,000 in benefits to the public per child. While there is not current data on the economic impact of F5VC-funded preschool slots, the evidence on economic impact is compelling. We would explore whether any existing data on current Ventura County preschool programs could serve as a proxy for economic benefits for individuals and the community to provide a more comprehensive view of the benefits of preschool.

⁶ Quick, H.E., Hawkinson, L.E., Holod, A., Anthony, J., Muenchow, Cannon, J.S., Karoly, L.A., Zellman, G.L., & Faxon-Mills, S. (2016). *Independent Evaluation of California’s Race to the Top–Early Learning Challenge Quality Rating and Improvement System*. Highlights from the Cumulative Technical Report. Washington, D.C.: American Institutes for Research and RAND Corporation.

Specific and Measurable Goals, Objectives, and Outcomes to be Achieved

F5VC has a demonstrated track record of preparing children for kindergarten, with 70 percent of enrollees deemed “school ready” across all domains of the Desired Results Developmental Profile (DRDP), with a 50 percent growth rate since the start of preschool. DRDP is an observational child assessment, conducted with a child two times during the school year. The DRDP measures children’s learning and development on domains such as language and literacy, mathematics, self-regulation, English language development, among others; the results by teachers are used for ongoing curriculum planning. High-quality centers on the QRIS must conduct the DRDP for all students twice per year. A recent evaluation of F5VC looked at both parent surveys responses and DRDP scores; DRDP results are below.⁷

Domain	Percent of Children from Pre-Sample scoring at the Building or Integrating Levels	Percent of Children from Post Sample scoring at the Building or Integrating Levels
Self and Social Development	35 percent	86 percent
Language and Literacy Development	31 percent	83 percent
English Language Development	43 percent	81 percent
Cognitive Development	32 percent	83 percent
Mathematical Development	29 percent	82 percent
Physical Development	53 percent	93 percent
Health	40 percent	86 percent
Composite (Building and Integrating across all domains)	20 percent	70 percent

The growth from pre- to post-measure of children at "building or integrating levels" on the DRDP is encouraging. The DRDP is used for curriculum planning, not high-stakes evaluation, but growth on a multi-domain measure is a positive indicator for the success of the preschool programs. There is also no control group used in these data to determine the growth levels that would be seen without high-quality preschool. These data present a compelling case for further

⁷ Estrella, R., Nash, L., & Sinicrope, C. (2015) *First 5 Ventura County evaluation report: Findings from the 2015 parent survey*. SPR Social Policy Research Associates.

examination and the consideration of a more rigorous evaluation methodology to demonstrate outcomes of the program through a Pay for Success Feasibility Study.

F5VC preschool slots also have an impact on family behaviors, aligning with the larger goals of F5VC. For example, in a typical week, 71 percent of parents reported they read to their children 3-6 times.⁸ Fifty-eight percent of parents reported that since starting F5VC services, their child had been referred to a developmental screening; 75 percent of parents whose child had a concern identified in this screening reported receiving follow-up services.⁹ While the multi-domain impacts seen on the DRDP are a better fit for a potential PFS project than are family services and referrals, the full range of evaluation data shows the comprehensive, multi-generational impacts of F5VC and its preschool slots.

The Preschool Pay for Success Feasibility study offers Ventura County the opportunity to assess and strengthen data systems and infrastructure needed to track children's near and longer-term outcomes. Many communities and states across the country are beginning to assign unique student identifiers to children in order to understand their outcomes across domains and services in which they enter. Several school districts in Ventura County have begun to assign State Student ID's at preschool entry but this practice has not been adopted universally. A PFS Feasibility study would be a vehicle to improve the needed coordination between early learning and care providers, preschool providers, and the local school districts in continuing efforts to create unique student identifiers in Preschool. It would also allow F5VC to understand the differing impacts of preschool and other early learning programs and demonstrate outcomes such as improved Kindergarten readiness, increased mathematical, language and literacy skills in 3rd grade, and better high school graduation rates.

Preschool appropriately addresses needs of target population

High-quality preschool can provide a jump start for school success, but for the children of Ventura County, it may also help rectify the opportunity gap. As the DRDP results above show, children entering F5VC preschool slots are often below the "building" or "integrating" levels; more than half of students miss the mark on all domains except for physical development.

Children from lower socio-economic backgrounds and those speaking a language other than English at home start Kindergarten already behind their peer. National and California research

⁸ Estrella, R., Nash, L., & Sinicrope, C. (2015) *First 5 Ventura County evaluation report: Findings from the 2015 parent survey*. SPR Social Policy Research Associates.

⁹ Estrella, Nash, & Sinicrope, 2015.

indicates that high quality preschool – especially for children at risk of lower academic achievement – has the potential to close the readiness gap before it becomes the achievement gap. Yet, the children who benefit the most from participating in high quality preschool programs are the least likely to attend. A high quality preschool experience has the potential to:

- Improve school readiness, including language, literacy and math skills; social-emotional skills; high school graduation rates; income earnings in adulthood
- Reduce the need for special education; use of social services; arrests or involvement in juvenile justice system

Appropriateness of PFS financing: Existing Funding Insufficient to Serve Target Population

F5VC, along with other First 5s in California, is funded by tobacco tax revenue. As the tobacco tax has its desired impact of reducing consumption, tax revenues have declined since 2000. In FY 2015-2016, F5VC invested \$11 million across all early childhood programs; by FY 2019-2020, anticipated investments will be \$6 million. This revenue decline presents an opportunity for F5VC to explore the most strategic avenues for continuing high impact investments in the community's greatest assets – children. Pay for Success has significant appeal for these goals. It promotes cross-sector, public-private partnership, as F5VC has historically done; it ensures a focus on proven outcomes for children and families; and it creates an opportunity to create a sustainable funding stream for preschool.

In light of these declining funds, F5VC commissioned a five-year data analysis of key trends for families and children in the service areas. The very issues highlighted by this analysis make a compelling case for ongoing investment in outcomes-focused, prevention-oriented programs for children:

- Poverty among children is growing.
- Available spaces for early education/preschool have not increased despite the increase in population over the last decade and a half.
- Third-grade reading scores have remained stagnant over the last decade and are far worse among low-income children.¹⁰

¹⁰ First 5 Ventura County. *2015-2020 Strategic plan*. Ventura, CA: First 5 Ventura County.

A recent study¹¹ found that existing public funding (Head Start, California State Preschool, and First 5) is not sufficient to meet the needs of families in Ventura County who already qualify for those programs. In fact, less than half of eligible families are currently able to participate in publicly funded preschool. Even if F5VC is able to close the gap between existing and needed spaces for all eligible families, so called “working poor families” (between 229 and 400% FPL) often can’t afford the cost of a high-quality program, yet they don’t qualify for publicly funded preschool. There currently is no solution for serving those families. Even worse, the few spaces funded by F5VC will not be able to be sustained beyond FY 2018-19.

At a time when F5VC and other First 5s may be facing cuts to the slots they can fund, PFS financing provides a potential route to preserve service to children, demonstrate the impacts of programming, and engage new partners.

Improve Outcomes for Students with Disabilities

F5VC does not intend to explore possible outcome measures related to placement in special education services during this feasibility study, but rather will focus on the outcomes indicated above.

(c) Quality of the Preschool PFS Partnership

(1) Expansion of Existing Partnerships to Form a Preschool PFS Partnership

F5VC operates under five guiding principles: engage parents and community; focus on prevention; leverage resources; support sustainable investments; and minimize administrative costs. F5VC works with a commitment to community engagement and partnership. Services are provided through 11 Neighborhoods for Learning (NfLs) to reach children and families within their communities. Preschool, as well as complementary health, education, and developmental services, are provided through 25 family resource centers in underserved neighborhoods. To strengthen reach within the County, F5VC partners with county agencies, schools, and community organizations. In ten of these 11 NfLs, school districts are the contracted entity; in the eleventh, the school district is at the table as a collaborative partner. As contract agencies and collaborative partners, school districts not only provide administrative support and oversight

¹¹ Damooei, J. (2016). *Opportunities for Early Childhood Education: Looking into unmet needs of underserved communities in Ventura County*. California Lutheran University, Department of Economics, Finance and Accounting.

for NfLs, but bring significant resources to the table. For example, the Oxnard and Hueneme School Districts provide facilities in-kind for the operation of NfL Family Resource Centers and Preschools, totaling approximately \$475,000 per year.

For 15 years, NfLs have been governed by their local communities to meet family's specific health, early learning, and support needs. Through partnerships with the Ventura County Health Care Agency and other local organizations, First 5 Ventura County provides community-based access to health services, dental treatment, developmental check-ups, behavioral health counseling and parent education. Parents access these resources through their local Neighborhood for Learning, reducing barriers and increasing access to essential services. First 5 Ventura County is committed to expanding partnerships with foundations, businesses, parents and local leaders so that together we continue to make sound, lasting investments in children. F5VC demonstrates that commitment through key leadership roles in countywide obesity, oral health, developmental screening, preschool quality improvement, and basic needs collaboratives so public agencies, non-profits and business can work together to support children, families and communities. F5VC works with organizations across the county to adopt a shared lens for working with children and families through the Five Protective Factors and brought business and economic leaders together to examine the importance of early education and its positive impact on our economic future.

F5VC has been recognized by county health and human services leaders to effectively prevent negative child outcomes and greatly contribute to improved child wellbeing. "Historically low numbers of youth have been entering the Ventura County juvenile justice system in recent years. Contributing to these falling numbers is First 5's engagement of the whole family. The combination of intensive family support with early education services reduces the influence of multiple child and family risk factors for delinquency. Early prevention programs are effective, providing taxpayers with significantly more benefits than costs, and produce positive outcomes for children." (Mark Varela, Director/Chief Probation Officer, Ventura County Probation Agency)

The proposed Pay for Success Preschool Partnership will build off of the existing partnerships in Ventura County focused on early childhood, beginning with the Neighborhoods for Learning and existing partners in the County Departments of Child Welfare and Health, and the Ventura County Office of Education's Early Childhood Department.

Additional and newly identified FPS partners will include an intermediary/consultant and partner in the feasibility study process with extensive experience in early childhood and PFS

research; an evaluator, to be determined through a competitive bid; and other engaged philanthropic and civic organizations. F5VC will serve as the lead agency on this PFS feasibility study.

(2) Preschool PFS Partnership Members Roles and Responsibilities

VCOE will serve as the direct recipient of federal Pay For Success Feasibility Study grant funds with a pass through relationship to First 5 Ventura County responsible for administering and coordinating grant activities. F5VC will serve as the lead agency on this PFS feasibility study.

F5VC Key Personnel and Position Descriptions:

F5VC key staff for this project are Claudia Harrison, Executive Director First 5 Ventura County and Petra Puls, First 5 Ventura County Director of Program and Evaluation. Ms. Puls will serve as the lead Project Director, under the supervision of the Executive Director. A PFS Project Manager will be hired by First 5 Ventura County. The position is not currently filled

Ms. Harrison is the founding Executive Director for First 5 Ventura County. Ms. Harrison is responsible for implementing the Commission's strategic plan to distribute \$11 million in Proposition 10 annual funding. She developed and implemented an administrative infrastructure to manage the Commission's funding initiatives and to evaluate program effectiveness. Ms. Harrison has been involved in organizational management for over thirty years and has worked with many programs for young children. Prior to coming to the Commission, Ms. Harrison was a Director with Blue Cross of California where she developed new products for uninsured populations and spearheaded the development of health and wellness programs. In her tenure with Blue Cross, she also managed Blue Cross' participation in the State of California's Access for Infant and Mothers program (AIM) and the Major Risk Medical Insurance Program (MRMIP). Ms. Harrison has earned an M.B.A. from Boston College and a Bachelor of Science Degree in occupational therapy from Tufts University.

Petra Puls is the Director of Program and Evaluation at First 5 Ventura County, where she is responsible for managing the implementation of the Commission's Strategic Plan. In this role, she helps shape program design and practices in the areas of early education, family support and health, facilitates integration of funded programs, and monitors program outcomes. Ms. Puls was instrumental in the development of the Commission's Quality Rating and Improvement Initiative, and serves as a liaison to First 5 California and the California Department of Education

for Race to the Top Early Learning Challenge (RTT ELC) grant. Ms. Puls' entire career has focused on improving the lives of children, their families and the communities they live in. Prior to joining First 5 Ventura County in 2003, she coordinated the Local Planning Council, and held positions as an after school program coordinator and preschool teacher. She earned a degree in Education from the Federal Academy of Education in Vienna, Austria, a Bachelor of Science in Business Management from Azusa Pacific University, and a Master of Public Administration from Arkansas State University.

PFS Project Manager: position is not currently filled. A job description for the position that will be hired through this grant is outlined below:

The PFS Project Manager will report to the First 5 Ventura County Director of Program and Evaluation. The Project Manager will be responsible for coordinating all aspects of implementing PFS in Ventura County, including contract management and oversight; quality control; developing partnerships with key community organizations; data collection and evaluation; reporting to state, local and federal funders; and engaging community leadership in the PFS movement. This position will require at least 3 years of experience with project management, partnership development, and evaluation. A master's degree and a strong background in ECE is desired.

The contracted intermediary to conduct the PFS Feasibility study must have experience in both early childhood education research and in conducting feasibility studies. The contracted evaluator will have experience in conducting rigorous research on early childhood education programs.

A consulting firm/vendor will be selected to conduct the feasibility study following federal and F5VC's procurement policy. Because of the required specialized services and expertise around PFS feasibility studies for preschool, F5VC will invite organizations to submit a Letter of Qualifications for this role on the feasibility study. If only one qualified entity is identified, F5VC will proceed with sole-source contracting. If more than one entity is deemed qualified through this formal solicitation, F5VC will issue a full Request for Proposals. Required qualifications include knowledge and experience with PFS financing, prior history conducting feasibility studies specifically for early childhood programs, and demonstrated ability to develop a robust plan for stakeholder engagement.

F5VC has had a longstanding interest in pursuing a PFS feasibility study and thus has been engaging in existing learning opportunities, such as Annual Conference of the Early Childhood

Social Impact Performance hosted by the Institute for Child Success (ICS). ICS has expressed an interest in partnering with F5VC to explore PFS, and would be invited to submit a Letter of Qualification. ICS is a nonprofit research and policy organization that aims to ensure the success of all young children by fostering public and private partnerships to strengthen early childhood systems. ICS has significant experience providing technical assistance on Pay for Success, including those projects focused on early childhood which range from preschool to home-visiting to child welfare.

F5VC will develop an RFP for an evaluator to join the PFS Partnership. As an independent evaluator will be necessary if a feasibility study finds a PFS project is viable, evaluation experts recommend engaging with an evaluator early in the process. The evaluator will play a role throughout the feasibility study to weigh in on methods for outcomes, referrals, data tracking, and other components of a PFS project that could shape a potential evaluation and will lead the development of a rigorous evaluation methodology for the outcome measures determined in a feasibility study. F5VC and its partners will develop a scope of work to use in selecting an evaluator, but at a minimum, the evaluator must:

- have expertise in education research, specifically related to early childhood education;
- be committed to rigor, demonstrated by meeting What Works Clearinghouse Evidence Standards (with or without reservations, depending on methodology);
- collect and maintain project and client data, considering the pros and cons of collecting individual data or utilizing existing administrative data; and
- supply project data to the relevant participating parties or designees.

(d) Quality of the Work Plan.

(1) Contractor Expertise with Feasibility Study and Feasibility Study Work Plan

A contractor will conduct the feasibility study alongside the Ventura County PFS Partnership. F5VC is in the process of procuring a qualified contractor with experience in both PFS and early childhood research (Task 1). Based on previous experience, it is anticipated that procurement will be completed in the first four months of the project. This intermediary will work with the Ventura County PFS Partnership, as well as any other potential stakeholders (e.g. local advocates), to conduct program and intervention analyses, engage stakeholders, construct

budget analyses, identify programs, and build the support necessary to determine whether a PFS financing transaction can be launched.

The feasibility study is an exploration of PFS financing, and the definitive use of PFS financing to expand early childhood interventions is not a foregone conclusion. At the end of the technical assistance period, jurisdictions will decide whether or not to pursue Pay for Success financing. If appropriate, jurisdictions will be well positioned to negotiate and close a financing transaction.

The proposed work plan aligns with the feasibility study components outlined by the Department of Education; it is based on a process which has been used for several other PFS feasibility studies. The work plan will incorporate the following steps:

- Task 2: Identification of outcome(s) sought, in particular for the population being served
 - Review evaluation research on preschool slots funded by First 5 Ventura County, gauging the strength of this research and of any similar programs, particularly efforts from other First 5 programs and research on California's Quality Rating and Improvement System
 - Review experience and data from local implementation, including domains addressed on the DRDP (Self and Social Development; Language and Literacy Development; English Language Development; Cognitive Development; Mathematical Development; Physical Development; and Health) as well as outcomes from parent surveys and other data collection
 - Determine which outcomes are appropriate for PFS. Consider short-, medium-, and long-term outcomes, including social-emotional outcomes
 - Determine current baselines for those outcomes and project likely impacts of program on these baselines
 - Consult with leading researchers and experts on preschool
- Task 3: Assessment of community needs, assets, and capacity;
 - Determine needs within Ventura County and sites for expansion
 - Conduct service provider site visits and surveys as necessary
 - Assess provider capacity to expand; data management capacity; and interest in expansion
- Task 4: Identification of a challenge(s) or barrier(s) for serving a particular population or addressing a social issue and determination of the total costs associated with the lack of intervention;

- Produce a cost estimate for scale-up that incorporates infrastructure necessary for effective implementation
- Identify any challenges to scale-up that could be encountered
- Identify statutory or legal barriers to using PFS, and develop a strategy for addressing barriers
- Task 5: Identification of interventions that can achieve the desired outcome(s);
 - Summarize current inventions of interest in Ventura County, including eligibility criteria and barriers to participation
 - Highlight how design of program ensures it is high quality
 - Report goals, objectives, and outcomes to be achieved by F5VC-funded preschool slots and the Quality Rating and Improvement System, which are clearly specified and measurable and will demonstrate student success
- Task 6: Projection of the potential public value, including any savings, to be achieved through potential interventions;
 - Determine baseline measures for outcomes in target population and project change in outcomes that would result from expansion
 - Determine potential benefits of preschool program, monetizing these benefits where possible
 - Consider other indicators of value of outcomes to government(s)
 - Examine which agencies (local, state, federal) benefit and estimate the scope of savings
 - Weigh outcomes/benefits against costs
 - Analyze this information to determine whether PFS financing could work to expand the intervention for target population
- Task 7: Determination of the willingness and capacity of stakeholders to implement a PFS project;
 - Identify and meet with key government stakeholders who would have need to participate in PFS, including potential government outcomes payors; philanthropic interests; service providers; potential upfront investors; an evaluator; and local stakeholders and advocates with an interest in the project.
 - Identify and meet with key philanthropic and business community stakeholders
 - Seek advice and input from key stakeholders as the analysis proceeds. Meet with stakeholders at the beginning of the process; as needed for relevant parts of the

- analysis (for example, engage service providers when developing expansion plan); and provide an opportunity for feedback on a draft final version of the feasibility study
 - Engage potential funders in open dialogue regarding PFS
 - Consider what payment terms are most likely to attract funders
- Task 8: Development of Rigorous Evaluation methodology to determine if Outcome Measures have been achieved
 - Engage with PFS evaluation experts to determine ideal method of evaluation based on proposed intervention and desire outcomes
 - Coordinate with local service providers to address any barriers to evaluation strategy in daily implementation and develop options to address these

<u>Tasks</u>	<u>Milestone</u>	<u>Responsibilities</u>	<u>Timeline</u> <u>(July 2017 - June 2019)*</u>
1. Procurement	Full executed agreements with intermediary and evaluator after competitive process	F5VC conducts	July 1, 2017 – November 30, 2017
2. Identification of outcome(s) sought	Outcomes Analysis Memo	F5VC conducts, with support from contractor	December 1, 2017- March 31, 2018
3. Identification of interventions that can achieve the desired outcome(s)	Data Assessment and Baseline Analysis Memo		

<u>Tasks</u>	<u>Milestone</u>	<u>Responsibilities</u>	<u>Timeline</u> <u>(July 2017 - June 2019)*</u>
<p>4. Identification of a challenge(s) or barrier(s) for serving a particular population</p> <p>5. Assessment of community needs, assets, and capacity</p>	<p>Landscape Analysis Memo</p> <p>Expansion Plan Memo</p> <p>Service Provider Readiness Assessment Memo</p>	<p>Contractor conducts, with support from F5VC regarding local challenges and opportunities; engagement with local service providers</p>	<p>April 1, 2018 – June 30, 2018</p>
<p>6. Projection of the potential public value</p>	<p>Cost-Benefit Analysis Memo</p>	<p>Contractor conducts</p>	<p>July 1, 2018 – August 30, 2018</p>
<p>7. Determination of the willingness and capacity of stakeholders to implement a PFS project</p>	<p>Outcome Payor/Financing Structure Memo</p> <p>Conduct at least one stakeholder meeting at beginning of process and one interim meeting to incorporate feedback</p>	<p>Joint effort of F5VC and contractor</p>	<p>September 1, 2018 – January 31, 2019</p>
<p>8. Develop evaluation strategy</p>	<p>Evaluation Strategy Memo</p>	<p>Contractor conducts, with F5VC support</p>	<p>February 1, 2019 – April 30, 2019</p>

<u>Tasks</u>	<u>Milestone</u>	<u>Responsibilities</u>	<u>Timeline</u> <u>(July 2017 - June 2019)*</u>
<p>9. Share findings and next steps</p> <ul style="list-style-type: none"> a. If feasible, identify activities needed for jurisdiction to move into transaction structuring b. If not feasible, explore potential opportunities for strengthening and expanding preschool through other means, or identify steps to make a PFS project feasible 	Final Report	F5VC and contractor conduct	May 1, 2019 - June 30, 2019

* Proposed timelines may be adjusted depending on timing of award notification. Project start date could be earlier than July 1, 2017 and subsequent dates would be adjusted accordingly.

(2) Procedures for Ensuring Stakeholder Engagement and Feedback

Meaningful stakeholder engagement throughout the feasibility study is essential to thoroughly considering using PFS financing to expand preschool. The contractor will conduct at least two to three in-person visits with the PFS Ventura County team during the feasibility study period, as well as have weekly or bi-weekly check-in calls. Site visits are a particularly important component to understanding the local landscape, needs, and challenges. The Partnership will engage stakeholders in three phases. At the beginning of the feasibility, the first site visit serves as an opportunity to introduce local stakeholders to the concept of using PFS to expand preschool, highlight the goals and process of the feasibility study, and respond to any questions or concerns. Stakeholders will be again consulted during the most relevant parts of the study;

for example, service providers will be heavily engaged in developing an expansion plan, as they have on-the-ground expertise. Finally, the Partnership will share a final draft report with these stakeholders and incorporate their feedback into the final feasibility study. Feedback from locally engaged experts will ensure that any potential project has viability on the ground.

While the PFS Preschool Partnership does not propose considering special education placement as an outcome metric, we will ensure the feasibility study process engages members of the Ventura County special education community. Given Ventura County's commitment to inclusive preschool classrooms, it is important for district staff and advocates to provide feedback on how to ensure the needs of special education students are appropriately met in any expansion.

(3) Time Commitments of Key Project Personnel

A combination of staff members will be engaged across F5VC, the contracted intermediary, and the contracted evaluator, as well as any additional partners, ensuring that time commitments are distributed across enough staff to meet the objectives of the project.

Petra Puls, the Director of Program and Evaluation at First 5 Ventura County, will serve as the lead project director for the Pay for Success Feasibility Study. Ms. Puls will be overseeing project planning and implementation including procurement, contract negotiations, contract monitoring, and developing partnerships with programs and community organizations to establish the feasibility of pay for success financing for preschool. Ms. Puls will dedicate ■ FTE, reflected in the budget as in kind.

F5VC will hire a Project Manager responsible for managing the day-to-day operations and implementation activities relative to conducting the Feasibility Study. The Project Manager position is budget at ■ FTE to be paid for by PFS grant funds. The position is currently not filled.

F5VC also plans to procure the services of a consultant/intermediary with expertise in Pay for Success financing for early childhood education to conduct the analysis and an evaluator with extensive experience and expertise in rigorous research on early childhood education programs.

(e) Quality of the Project Leadership and Team.*(1) Project Management and Oversight Experience*

First 5 Ventura County (F5VC) serves as the lead agency for the PFS Feasibility Study and has a long history of managing and overseeing early childhood education projects. F5VC is responsible for developing the County's Early Childhood Strategic Plan, distributing and monitoring \$11 million each year in California Proposition 10 funds, and creating collaborative partnerships that support young children's early childhood health and development. F5VC is an independent public entity established by the Ventura County Board of Supervisors in 1998. F5VC has eleven professional staff members who are responsible for administration of approximately 30 contracts with community agencies.

Policy development and program oversight is the responsibility of the nine-member Commission, appointed by the Board of Supervisors, with support of several standing Committees. Commissioners include the County Superintendent of Schools, the County Health Officer, a County Supervisor, Director of County Departments, a representative of the Child Care Planning Council, Executive Directors of major local non-profits, and local university faculty. This Commission has facilitated the development of eleven Neighborhoods for Learning throughout Ventura County through initiating and assisting local, community-based strategic planning efforts and implements a Quality Rating and Improvement System Initiative.

Staff and Organizational Experience in Facilitating Early Childhood Activities

In the formulation of its initial five-year strategic plan, the Commission engaged in a comprehensive needs and resource assessment process that included community outreach and focus groups, parent surveys, data analysis, and use of existing current reports. Through its core initiative, Neighborhoods for Learning, the Commission facilitated a community-led strategic planning process to identify the unique needs of their communities through a series of community surveys, focus groups and public input forums. Major issues identified through these processes included: need for quality preschool experiences; availability and affordability of child care; parent education; oral health and mental health services, and transportation. F5VC's revised strategic plan, which was adopted in July 2015, is the result of this comprehensive planning and review process.

First 5 Ventura County has identified three principle goal areas, which translate into core initiatives: children are healthy; children have language and social skills; families have

resources they need. Incorporated into each of these goal areas are F5VC's key strategies for system change: service integration, community participation in decision-making, collaborative partnerships and leveraging services by building on existing capacity. All projects funded within each of the initiatives are integrated with services coordinated through the local, community-based Neighborhoods for Learning. Key to all funding initiatives is the development of strong collaborative partnerships with parents, First 5 Ventura County's most important partner, along with public and private sector partnerships.

Examples of management of projects of similar scope

First 5 Ventura County was invited by the California Department of Education to participate in California's Race to the Top Early Learning Challenge (RTT ELC) grant and received \$2.6 million over a four-year period (2012-2016), and as a result, successfully implemented and expanded the local QRIS project. The first QRIS ratings occurred in FY 2012-13 and showed that the local RTT ELC QRIS program was serving 43 sites and 1,764 children. At the conclusion of the RTT ELC grant in June 2016, Ventura County's QRIS program was serving 122 sites and 4,436 Ventura County children, demonstrating a huge growth in the program over a three year period and exceeding its initial target of serving 79 sites. Analysis of prior year data show that QRIS sites have steadily been moving from lower to higher tiers: 31% of sites rated at Tiers 3-5 in June 30, 2014, compared to 75% in June 30, 2016, indicating significant improvements in quality and correlating to an increased number of high needs children served by quality programs.

Building upon the extensive and comprehensive work done as part of the NfL planning and implementation process, F5VC has leveraged an additional \$5.6 million in First 5 California Child Signature Program and Preschool for All funds since 2004 to expand preschool opportunities, improve teacher education and competency, and accelerate school readiness activities.

Approximately 1,600 new preschool spaces have been created countywide through F5VC's various investments and the NfL platform, which significantly increases the number of children entering Kindergarten ready to learn. Through those additional preschool experiences, First 5 Ventura County experiences an increase in the number of children assessed as Kindergarten "ready" upon entering Kindergarten as defined by the Desired Results Developmental Profile tool.

(2) Federal Grant Management Experience and Fiscal Capacity

Ventura County Office of Education is the fiscal agent and direct recipient of federal PFS grant funds, with First 5 Ventura County as the sub-recipient. First 5 Ventura County has extensive experience with managing local, state and federal funds. Comprehensive procedures are in place for monitoring compliance with federal and state grants. For federal grants, a system is in place whereby upon receipt of a new grant, each compliance requirement section is reviewed for applicability. A payment schedule outlining payments for work completed will be developed between VCOE and F5VC. Requirements determined to be relevant are followed and documented throughout the year to demonstrate compliance.

VCOE and F5VC have strong fiscal and accounting capacity, and have had no material findings on its audits since its inception. VCOE reports on its financial position and results of operation in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. The basic financial statements of VCOE are composed of: Government-wide financial statements, Fund financial statements and Notes to financial statements. VCOE and First 5 Ventura County are audited annually by an independent auditing firm. The annual financial statements and the independent auditor's reports are reviewed by the County Superintendent of Schools, the Associate Superintendent of Fiscal and Administrative Services, and F5VC's audit committee (the standing Administration and Finance Committee) and then they are presented to the respective governing boards.

VCOE uses fund accounting system, Escape Financial Systems, which has been customized to manage all the organization's finances. Within this comprehensive software system, expenditures are recorded and assigned to the specified funding source. Reports are easily generated and reviewed on a regular basis to ensure costs are recorded against the appropriate grant or funding source. All vendors/contractors are required to submit complete and accurate invoices with back-up information detailing the expenditures. Invoices are reviewed and signed off at several levels internally before being submitted for payment. Invoices are entered into the Escape accounting system.

Key Fiscal Staff

Misty Key is the Associate Superintendent of Fiscal and Administrative Services for Ventura County Office of Education. She joined VCOE in 2013. As the Associate Superintendent, she is responsible for the overall management of fiscal operations, procurement and contracting, implementation of internal policies and procedures, and human resources. In this role, she has

helped build a strong, efficient infrastructure. Mrs. Key has been instrumental in the development of sound fiscal policies and creating systems for blending multiple funding streams to best allocate funding resources. She oversees compliance with grants received and has created comprehensive procedures for monitoring compliance.

(f) Adequacy of Resources

F5VC worked very closely with organizations with experience in conducting feasibility studies during the grant writing process to determine a reasonable estimate of the time and financial commitments require and concluded that additional funds are not required for this project. The Ventura County PFS Partnership is not pursuing additional sources of funds for this project, as the requested funds in the budget narrative are sufficient to complete the feasibility study.

F5VC will contribute \$ [REDACTED] in in-kind resources towards implementing the PFS feasibility study.

Competitive Preference Priority

PFS Feasibility Study: Including Social and Emotional Outcome Measures

The First 5 Ventura County PFS Partnership will explore the possibility of using social-emotional outcomes in a PFS project. The DRDP instrument currently indicates that 35 percent of children score at “building or integrating levels” on the Self and Social Development domain at the beginning of the year, increasing to 86 percent at the end of the year. This domain includes: “identity of self in relation to others, social and emotional understanding, relationships and social interactions with familiar adults, relationships and interactions with peers, and symbolic and sociodramatic play.”¹² The Partnership will explore the use of DRDP and other potential indicators of social-emotional development in preschool and early elementary.

¹²California Department of Education. (2015). *DRDP: A Developmental Continuum from Early Infancy to Kindergarten Entry. Preschool View for use with preschool-age children*. Sacramento, CA: California Department of Education.

Pay For Success Preschool Feasibility Study Pilot**Budget Narrative**

This project proposes a total budget of [REDACTED] over 24 months. The total project cost is [REDACTED] but \$ [REDACTED], of the project costs will be covered by F5VC in-kind. Details of the proposed budget follow.

Personnel: [REDACTED]

A part-time PFS Project Manager who will work [REDACTED] hours over the course of the 24 months would be hired by F5VC to manage the day-to-day operation and implementation of the project. Their hourly rate would be [REDACTED] for a total of [REDACTED] over the project period. This position would be covered by the PFS grant funds. Additional F5VC staff member, Petra Puls, Director of Program and Evaluation will provide oversight and support for the project, but her time (totaling [REDACTED]) will be provided as in-kind.

Fringe Benefits: [REDACTED]

Payroll taxes and worker's compensation insurance total [REDACTED] for the PFS Project Manager position over the 24 months. These benefits are made up of FICA, Medicare, California State Unemployment Insurance and Employment Training Tax, and Worker's Compensation Insurance. This position will not be eligible for paid time off, retirement or medical benefits due to the temporary nature of the position. The Director of Program and Evaluation's payroll taxes and benefits total [REDACTED] and will be covered as in-kind.

Travel: [REDACTED]

It is expected that there will be travel costs associated with implementing this project [REDACTED] miles over the 24 project period. At a mileage reimbursement rate of \$0.54, the total for mileage will be [REDACTED]. It is expected that the staff supporting this project will attend two PFS conferences/trainings, costing \$ [REDACTED] trip, for a total of \$ [REDACTED]. It is anticipated that the Director of Program and Evaluation will also attend two PFS conferences/trainings for [REDACTED] total, but these will be covered as in-kind.

Equipment: \$ [REDACTED]

A computer and printer are budgeted at \$ [REDACTED] for the new project manager position.

Supplies: \$ [REDACTED]

The supplies are budgeted at [REDACTED] annually for supply costs for the new project manager, for a total of [REDACTED] over the course of the project period. This line item will cover basic office supplies.

Contractual: \$ [REDACTED]

As explained in the project narrative, two consultants will be utilized (contracted by F5VC) on this project due to the specialized services and expertise around PFS feasibility studies and evaluation for preschool: one to conduct the feasibility study and one to serve as an evaluator. The consulting firm/vendors will be selected following F5VC's and federal procurement policies.

The budget for the feasibility study vendor services is [REDACTED]. This budget includes staffing to conduct the study and senior-level staff time to guide, direct, and oversee the work over the project period, as well as administrative support of the project. The budget also includes travel costs to make 4 site visits to Ventura County during the period to complete the feasibility study. Required qualifications include knowledge and experience with PFS financing, prior history conducting feasibility studies specifically for early childhood programs, and demonstrated ability to develop a robust plan for stakeholder engagement.

F5VC will contract with an evaluator to join the PFS Partnership. The budgeted costs of [REDACTED] for the evaluator include the contractor staff time to complete the evaluation as well as supplies, travel and administrative support necessary. F5VC and its partners will develop a scope of work to use in selecting an evaluator, but at a minimum, the evaluator must have significant expertise in education research, specifically related to early childhood education.

Budgeted costs for the PFS feasibility study contractor and the evaluator were determined based on anticipated and customary rates for the level of expertise required do this type of work.

Construction

Not applicable

Other: [REDACTED]

There are no additional costs for this project budget.

Total Direct Costs: [REDACTED]

Total Direct costs [REDACTED]

Indirect Costs: [REDACTED]

A federally approved indirect rate of [REDACTED] for the Ventura County Office of Education has been applied to the total direct project costs for an indirect cost of [REDACTED]. Additionally, \$ [REDACTED] in F5VC administrative costs will be covered by F5VC as in-kind.