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U.S. Department of Education

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*Preschool Pay for Success (PFS)  
Feasibility Pilot Grant  
Technical Assistance Webinar*

Office of Early Learning  
U. S. Department of Education  
August 30, 2016  
3:00 pm (EDT)



## Presenters

- Libby Doggett, Deputy Assistant Secretary for Policy and Early Learning
- Chrisanne Gayl, Senior Policy Advisor, Office of Planning, Evaluation, and Policy Development
- Jennifer Tschantz, Research to Practice Division – Early Childhood Team, Office of Special Education Programs



## Topics for Discussion

- Background on PFS
- Purpose
- Eligible Applicants
- Award Information
- Timeline
- Absolute and Competitive Priorities
- Application and Program Requirements
- Selection Criteria
- Performance Measures



## Background on PFS

- Innovative contracting and financing model
- Paying for achievement of concrete, measurable outcomes for individuals
- Private investors pay for the operating costs of the interventions; government (or other entity) only pays if outcomes achieved
- Partnerships among multiple participants—payors, service providers, investors, independent evaluators



## Feasibility Study

- Description of and evidence for the preschool model
- Identification of outcomes sought
- Assessment of community needs and capacity
- Identification of challenge (s) or barrier(s)
- Projections of public value [cost-benefit analysis]
- Determination of willingness and capacity [of potential PFS partners]
- Development of rigorous evaluation methodology



# Use of PFS Financing for Preschool

- Rigorous research base
- Measurable short and long-term outcomes
- Finance and rigorously evaluate new, innovative models
- Short term financing strategy to promote more effective investments of public dollars



# Preschool PFS Outcome Measures

Potential Outcome Measures may include:

- Increases in kindergarten readiness
- Improved reading and math growth or achievement
- Improved social and emotional skills
- Improved Executive Functioning
- Improved child outcomes due to earlier identification of Children with Disabilities
- Reductions in grade retention
- Reduction in the need for later special education or other remedial services
- Reductions in discipline referrals
- Reductions in interaction with law enforcement
- Increases in high school graduation



## Preschool PFS Outcome Measures

- Quantify the benefits resulting from achieving the outcome measures, and develop research-based workable data-driven approaches to monetize them over the short-, medium-, and long-term.
- Outcome Measures that document the potential cost savings associated with, and societal benefits of, the participation of Children with Disabilities in inclusive preschool programs.



## Purpose

- Grants to conduct feasibility studies
- Catalyze future investment in and implementation of high-quality preschool programs through PFS
- Identify broader range of Outcome Measures
- Establish safeguards to protect the rights of Children with Disabilities



## Eligible Applicants

- States, Local Governments, and Tribal Governments
- Consortia of the above entities



## Award Information

- Total amount of federal funds available: \$2,800,000
- Grant award range: \$200,000-\$400,000
- Number of awards: 7-14
- Project period: Up to 30 Months
  
- Important Reminder: The maximum grant award is \$400,000. We will *reject* an application that proposes a budget exceeding \$400,000 for a single budget period of up to 30 months.



## Timeline

- Notice inviting applications published on Monday, August 22, 2016
- Intent to Apply due September 12, 2016
- Deadline for submitting applications is Thursday, October 6, 2016 by 4:30:00 PM Washington DC time.
- Grantees announced and funding distributed by December 31, 2016



## Caveats for Discussion of NIA

- Please note that the remaining slides cover much of the content of the Notice Inviting Applications (NIA) for the Preschool PFS Pilot competition, however these slides in most cases do not contain the full text from the NIA due to space constraints.
- Please refer to the NIA/Application Package when creating your application submission
- Also, note that defined terms are capitalized. Please review the definitions in the NIA.



## Key Definitions

*Target Population* means, at a minimum, low-income and disadvantaged preschoolers who are three or four years of age at the time of enrollment, such as those at risk of failing to meet the State's academic content standards. The Target Population may include a more specific criteria.



## Key Definitions

- *Outcome Measure* means a measure that provides an assessment of a program's impact and is applied to both target and comparison groups. It is determined using relevant program data and has defined units of measurement by which the impact can be tracked. Examples of Outcome Measures include, but are not limited to, improvement in knowledge and skills at kindergarten entry, reduction in the need for remedial services, reduction in the need for grade retention, improvement in third grade reading and math proficiency, and improvement in language development.



## Key Definitions

- *Outcomes Payments* means payments, as agreed to in PFS legal agreements, to cover repayment of the principal investment and a return in the case that: (a) an Investor has covered part or all of the costs of service delivery and other associated costs, and (b) Outcome Measures have been achieved according to an Independent Evaluator.



## Key Definitions

- *Benefits* means fiscal and other value to the public and society as a result of achieving the Outcome Measures through the implementation of the intervention for the Target Population. Benefits may include cost savings, cost avoidance, cost-effectiveness, and positive societal benefits.
- *Cost-Benefit Analysis* means an analysis that compares the costs of an intervention with the Benefits that will result from achieving the Outcome Measures, including a framework and description of the process used for estimating Benefits that would result from implementation of the intervention.



## Absolute Priority

- Propose a Feasibility Study that will determine the viability of using a PFS approach to expand or improve a preschool program for a Target Population
- Describe the potential Outcome Measures
- Any applicant that proposes to reduce the need for special education and related services as an Outcome Measure must also include at least one other meaningful and substantive Outcome Measure of short-, medium-, or long-term student achievement



## Competitive Priority

- Applicant must propose a Feasibility Study to determine if PFS is viable that would evaluate social and emotional or Executive Functioning Outcome Measures, or both. These potential outcome measures may be predictive of future school success, cost savings, cost avoidance, and other societal benefits, and may appropriate to include in a PFS project.



# Application Requirements

Applications must include:

- Identification of Target Population and Statement of Need
  - A definition of the Target Population to be served, based on data and analysis demonstrating the need for services within the relevant geographic area and how it lags behind other groups in achieving key outcomes
- Description of the proposed preschool program
  - Explanation of how the design ensures it is high quality, including minimum requirements.
  - How the preschool program is likely to improve student outcomes
  - Goals and objectives to be achieved by the preschool program
  - How the intervention is appropriate for and will address needs of Target Population



# Application Requirements

Applications must include:

- Explanation as to why PFS is an appropriate financing strategy
- Description of the Preschool PFS Partnership or plan for developing a Preschool PFS Partnership
- Description of Potential Outcome Measures
  - If one of the identified Outcome Measures is the reduction in special education placement, the applicant must include at least one other meaningful and substantive Outcome Measures of student achievement
  - Applicants may also propose to include other longer-term measures such as reduced interactions with law enforcement and increased high school graduation rates.



## Selection Criteria

- Need for Project (up to 10 points)
- Quality of the Evidence-based Preschool Program Design (up to 25 points)
- Quality of the Preschool PFS Partnership (up to 25 points)
- Quality of the Work Plan (up to 25 points)
- Quality of the Project Leadership and Team (up to 5 points)
- Adequacy of Resources (up to 10 points)



## Program Requirements

If funded Preschool PFS Feasibility Pilot grantees must:

- Submit a Written Feasibility Study
- Identify Outcome Measures
  - If applicable, develop plan for protecting rights of CWD
- Conduct a cost-Benefit Analysis
  - evaluates whether the preschool PFS project is viable
- Identify any barriers to implementing PFS
- Identify potential sources of Outcomes Payments



## Program Requirements

- If PFS is viable, a written report:
  - Identifies partners for a PFS Partnership
  - Describes plan for a Rigorous Evaluation
  - Describes a proposed plan to implement preschool services, a preliminary financing strategy, and a proposed timeline to proceed to transaction structuring.
- If PFS is not viable, a written description and explanation of why PFS is not viable and discussion of possible alternatives.



## Performance Measures

- Number and percentage of grantees that complete a Feasibility Study within the project period
- Number and percentage of Feasibility Studies that conclude that PFS approaches for Preschool expansion or improvement are viable
- Number and percentage of Feasibility Studies that identify feasible alternatives if PFS is not viable



Thank you for your participation in today's  
Webinar!

For more information, please visit our website

<http://www2.ed.gov/programs/pfs/index.html>

If you have additional questions please contact PFS@ed.gov.