



## Chicago PFS/SIB Program – Success Payment Calculation Evaluation #2

**April 28, 2017**

**Project Year 2**

**2015-2016 Project Year**

**Cohort 2 Kindergarten Readiness Success Payment - \$893,791.22**

In accordance with Section 3.01(a) of the Loan Agreement and Pay For Success Contract between the City of Chicago and IFF, SRI, as the Evaluator, has calculated the total number of Kindergarten Ready Children (as such term is used in the Evaluation Plan) for the applicable Project Year Cohort.

SRI's findings, as detailed in Evaluation Report #2, were reviewed and approved by the City of Chicago on April 28, 2017.

The below narrative summarizes the Kindergarten Readiness findings and calculates the applicable Success Payment.

### **Kindergarten Readiness**

Every child who scored "at" or "above" the national norm on at least five of the six domains in the spring of their preschool year was categorized as "kindergarten ready." To calculate the kindergarten readiness payment, IFF used the following steps:

- Step 1.* Utilize the percentage of the intervention cohort of children who are deemed kindergarten ready as agreed to in the Evaluation Report.
- Step 2.* Multiply this number by the base cohort size (i.e., the number of SIB-CPC preschool slots funded by the investors) and then multiply that number by the retention factor.
- Step 3.* If the result of Step 1 indicates that greater than 50% of the eligible cohort are Kindergarten Ready, then the Success Payment will be capped at the 50% success level.
- Step 4.* If the result of Step 1 indicates that less than 50% of the eligible cohort are Kindergarten Ready, then IFF will multiply the number derived from Step 2 by the payment rate of \$2,900 to determine the total kindergarten readiness repayment the city of Chicago owes for that cohort and outcome.

### **Results**

SRI found that 41.64% of children in the eligible cohort of children were kindergarten ready. Multiplying the base cohort size (782) by 41.64% and then by the kindergarten retention factor (94.65%), the number deemed kindergarten ready is 308.20. That number is then multiplied by \$2,900 to arrive at the Success Payment amount of \$893,791.22.



**April 28, 2017**  
**Project Year 2**  
**2015-2016 Project Year**  
**Cohort 1 Kindergarten Special Education Payment - \$17,597.21**

In accordance with Section 3.02(a) of the Loan Agreement and Pay For Success Contract between the City of Chicago and IFF, SRI, as the Evaluator, has calculated the total number of Special Education Slots Avoided (as such term is used in the Evaluation Plan) for the applicable Project Year Cohort.

SRI's findings, as detailed in Evaluation Report #2, were reviewed and approved by the City of Chicago on April 28, 2017.

The below narrative summarizes the Special Education Slots Avoided findings and calculates the applicable Success Payment.

- Step 1.* Subtract the Treatment Group Special Education Utilization rate from the Comparison Group Special Education Utilization rate.
- Step 2.* If greater than zero, multiply this number by the base cohort size (i.e., the number of SIB-CPC preschool slots funded by the investors) and then multiply that number by the retention factor.
- Step 3.* Multiply the number derived from Step 2 by the savings rate (\$9,100 in year 1) to determine the total Special Education Utilization payment that Chicago Public Schools owes for that cohort and outcome.

**Results**

SRI found that the Special Education Utilization rate for the Comparison Group was 4.94% and the Special Education Utilization rate for the Treatment Group was 4.38%. The difference between the two was 0.56%. Multiplying the base cohort size (374) by 0.56% and then by the retention factor (92.33%) and the savings rate of \$9,100 results in a Special Education Savings Payment of \$17,597.21



## Attachment

### Chicago PFS/SIB Program – Success Payment Calculation Evaluation #1

**April 20, 2016**

**Project Year Cohort 1**

**2014-2015 Project Year**

**Kindergarten Readiness Success Payment - \$500,705.59**

In accordance with Section 3.01(a) of the Loan Agreement and Pay For Success Contract between the City of Chicago and IFF, SRI, as the Evaluator, has calculated the total number of Kindergarten Ready Children (as such term is used in the Evaluation Plan) for the applicable Project Year Cohort.

SRI's findings, as detailed in Evaluation Report #1, were reviewed and approved by the City of Chicago on April 20, 2016.

The below narrative summarizes the Kindergarten Readiness findings and calculates the applicable Success Payment.

#### **Kindergarten Readiness**

Every child who scored "at" or "above" the national norm on at least five of the six domains in the spring of their preschool year was categorized as "kindergarten ready." To calculate the kindergarten readiness payment, IFF used the following steps:

- Step 1.* Utilize the percentage of the intervention cohort of children who are deemed kindergarten ready as agreed to in the Evaluation Report.
- Step 2.* Multiply this number by the base cohort size (i.e., the number of SIB-CPC preschool slots funded by the investors) and then multiply that number by the retention factor.
- Step 3.* If the result of Step 1 indicates that greater than 50% of the eligible cohort are Kindergarten Ready, than the Success Payment will be capped at the 50% success level.
- Step 4.* If the result of Step 1 indicates that less than 50% of the eligible cohort are Kindergarten Ready, than IFF will multiply the number derived from Step 2 by the payment rate of \$2,900 to determine the total kindergarten readiness repayment the city of Chicago owes for that cohort and outcome.

#### **Results**

SRI found that 60.97% of children in the eligible cohort of children were kindergarten ready. Since this is above 50%, the Success Payment will be capped. Multiplying the base cohort size (374) by 50% and then by the kindergarten retention factor (92.33%), the number deemed kindergarten ready is 172.66. That number is then multiplied by \$2,900 to arrive at the Success Payment amount of \$500,705.59

Please note that should the cap not have been in place, the number of children deemed kindergarten ready after considering the retention factor would be 210.54. That number would then be multiplied by \$2,900 to arrive at a Success Payment of \$610,560.37.