



Investing in Pre-K as a Key Strategy to Improve Long-Term Economic Viability

Quarter III/Year-to-Date Pre-K Report

School Year 2019-2020

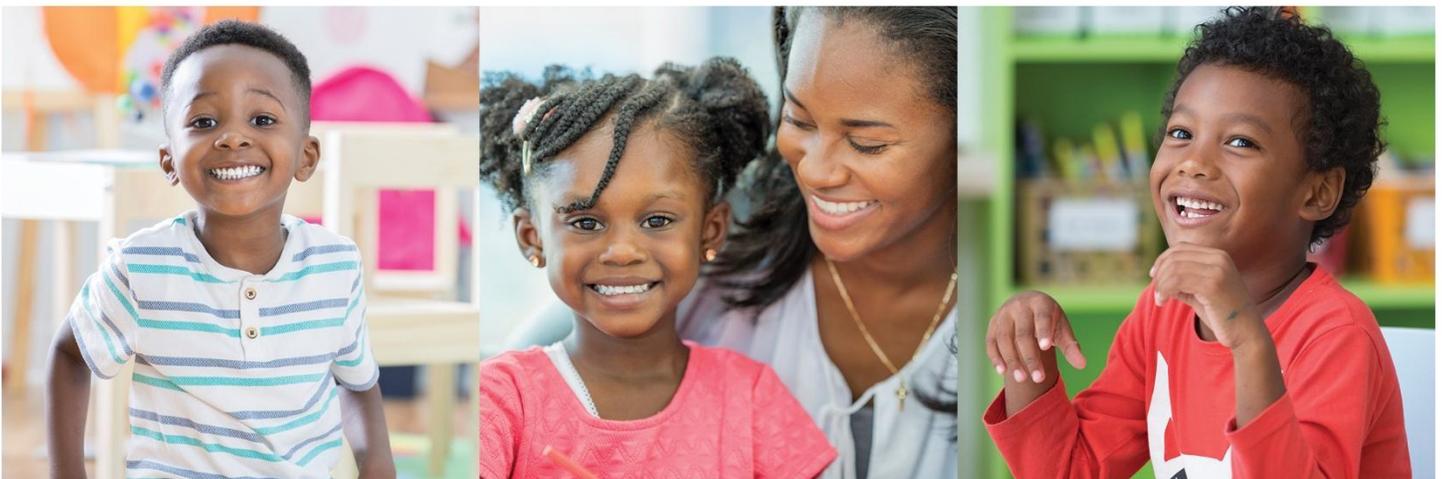


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Executive Summary

Investing in early care and education helps young children increase their social and emotional, cognitive, and physical development for success in school and in life. Pre-Kindergarten (Pre-K) is central to those investments. Pre-K is often a child's first experience in school, or in group care, and can set the stage for a child's long-term educational experience. On behalf of the City of Memphis and Shelby County, [First 8 Memphis](#) (F8M) is working to implement Shelby County's high-quality early care and education system which aims to prepare 90% of our children to be Kindergarten ready and to ensure that 90% of 3rd graders are reading on grade level by 2025. These goals will shape our communities for generations to come. In its first year in operation, F8M has convened and administered Pre-K funding to help build high-quality early care and education programs.

This report reflects School Year 2019-2020 Quarter III (Q3; December 21, 2019 - March 12, 2020) City of Memphis and Shelby County Pre-K data. As of the end of Q3, 1,338 four-year-old children in total were enrolled in 64 F8M Pre-K classrooms. Of the 64 Pre-K classrooms, 49 financed classrooms are part of F8M's Pay for Success model and the remaining 15 are non-financed classrooms, many from the former county commission Pre-K classrooms. Of the 957 students in the 49 financed classrooms, 700 students or 68% met the standard for consistent attendance in Q3 (see Appendix B for Validator Report). For the 15 remaining non-financed classrooms, 183 of 305 students, or 63%, met the standard for consistent attendance. This is an increase compared to Q2.

Pre-K enrollment and attendance are shaped by factors both inside and outside of school. Shelby County data shows that the major contributing factors to low enrollment and attendance include transportation, illness, and other challenges related to poverty; another contributing factor is students attending school outside of their zone. As we work to build out the early care and education system, F8M will work with Shelby County Schools and other Pre-K Operators to address challenges to increase enrollment and attendance.

Year 2 of F8M's Pre-K program is critical to young children's success. Enrolling young children in Pre-K can help link them and their families to high-quality wraparound and educational services when they are needed most - in the midst of a global pandemic that is impacting low-income African Americans and Latinx families the most.

F8M seeks to expand our Pre-K program to 75 classrooms by adding 5-8 classrooms to our roster in Year 2. This effort would help reach the goal of funding 100 Pre-K classrooms by 2022.

Investing in Pre-K as a Key Strategy to Improve Long-Term Economic Viability



Introduction

Central to investing in Shelby County's future is to support children's ability to thrive and engage in services and programs that support their early care, development, and learning. Pre-Kindergarten (Pre-K) gives children the building blocks to learn, be creative, and develop the social and emotional skills to navigate school and life. [First 8 Memphis](#) (F8M) was established to implement Shelby County's high-quality early care and education system which aims to prepare 90% of our children to be Kindergarten ready and to ensure that 90% of 3rd graders are reading on grade level by 2025.

In the first year of full implementation, in total F8M served 1,338 Pre-K students this academic year in both financed and non-financed classrooms. Congruent with our strategy to ensure all students have what they need to succeed, each F8M classroom received high-quality wraparound services. Enrollment, attendance, Pre-K growth, and Kindergarten readiness are the four indicators for F8M Pre-K success. This report shows some improvement in attendance and enrollment in Q3. Specifically, F8M maintained a cumulative (Q1 through Q3) satisfactory attendance rate of 91%. While also increasing overall enrollment by 11% compared to Q1. Additionally, Pre-K growth measure assessment, I-station, indicated that 80% of Pre-K students either remained on track to meet grade level expectations or moved from being in significant risk, to being on grade level, from the beginning of the Pre-K program year through March 2020. The number and percentage of children designated as "Kindergarten ready" as defined by the State of Tennessee are not available as of this writing. Due to COVID-19 school closures and the likelihood of student learning loss, F8M worked with our senior private investor, Maycomb Capital, Shelby County and the City of Memphis leadership to ultimately waive the Pay for Success cost associated with the Fall 2020 Kindergarten readiness assessment results.

F8M Pay for Success public-private partnership uses private dollars to fund Pre-K services and the investors are repaid based on enrollment, attendance, Pre-K growth, and Kindergarten readiness. As of this writing, F8M has paid \$9,341,742 to financed and non-financed classrooms and has repaid \$2,138,000 to the investors.

Pursuant to the Professional Service Agreement with the City of Memphis and Shelby County, this report includes an update on School Year 2019-2020 Quarter III (Q3) and planning for School Year 2020 - 2021. This report adheres to, but is not limited to, the following PSA requirements:

- ◆ Number of at-risk four-year-old children in City and County provided classrooms
- ◆ Financial reporting detailing the use of public funds
- ◆ Data on parent and community engagement and delivery of services

This report includes six sections, including an overview of F8M, the elements of building a high-quality Pre-K program, performance data overview, oversight and quality assurance, budget information, and projections for F8M Year 2; additional information is provided in the Appendices.

In the midst of the uncertainty of the global pandemic this academic year and next, it is more important now than ever to ensure that young children are provided with high-quality Pre-K services and programs to support their growth and development.

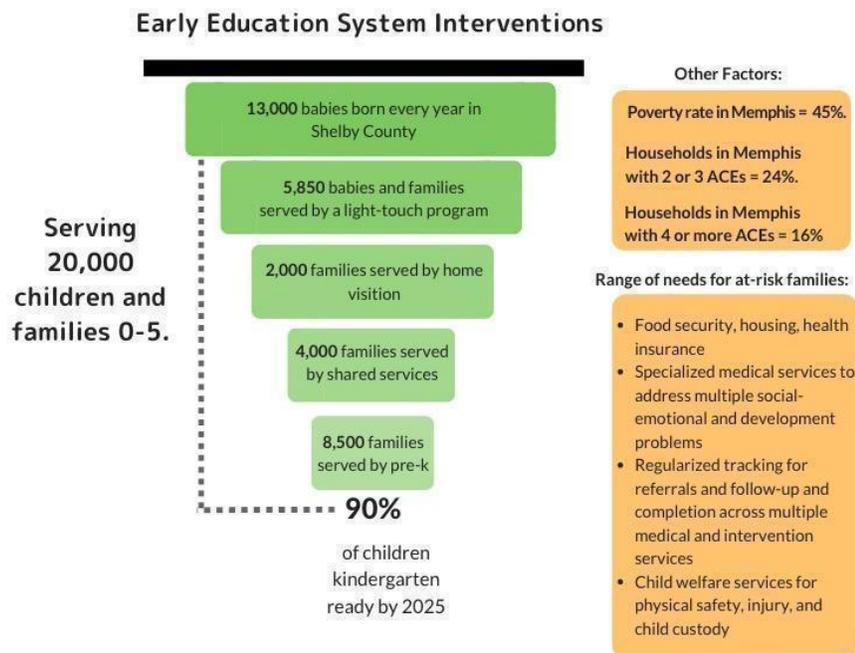
I. First 8 Memphis

F8M was founded to establish a strong educational foundation for every child in Shelby County. By 2023, F8M will support 29,350 children through four key strategies:

- ◆ **Home Visiting** (7,850 children) is an intensive and long-term family support model for expectant parents and children prenatal to age five that effectively increases parent understanding of early child development; helps prevent adverse childhood experiences¹ (also known as ACEs) and decreases incidents of child maltreatment.
- ◆ **Childcare** (4,000) is essential to the infrastructure of any community. To build a high-quality childcare system for young children and their families, a shared service model, Next Memphis was created to support childcare infrastructure.
- ◆ **Pre-K** (8,500) is central to F8M’s early care and education system and is a critical year for young children’s success in school.
- ◆ **Kindergarten - 3rd grade** (9,000) strategy will work to create a seamless set of academic and social and emotional services to ensure 3rd reading.

These strategies will serve 65% of all economically disadvantaged (<200 Federal Poverty Level) children birth to age eight years in Shelby County. As noted, our ultimate goal is to ensure 90% of students are Kindergarten ready and 90% of students are 3rd grade proficient by 2025. Each early childhood program plays an important role in helping children and families reach their full potential.

F8M has incorporated a systematic data system for collecting, monitoring, and tracking complete, timely, and accurate Pre-K data as a part of the outcomes financing model. This



¹ Adverse Childhood Experiences are traumatic experiences that occur in childhood that impacts a person’s health and wellbeing in adulthood. Examples of adverse childhood experiences include witnessing violence at home or in the neighborhood, abuse and neglect.

system allows Shelby County to invest in their youngest citizens from birth, or immediately before, to ensure student academic growth and achievement in Pre-K as a significant contributing factor to student's Kindergarten-readiness and third grade reading benchmarks.

II. Building a High-Quality Pre-K Program

F8M is working to build off of Shelby County's Pre-K program to continue to expand and build the quality of Pre-K and to provide a funded seat to every four-year-old, who qualifies under current eligibility criterion. In our first year of operation, F8M has partnered with 10 Pre-K Operators to build out Shelby County's quality program. As noted, F8M, Pre-K Operators, including Shelby County Schools, and local and national private funders have identified the following indicators for Pre-K success²:

- ◆ **Enrollment and Consistent Attendance:** Number of students attending at least 90% of total school days in any given quarter. F8M Pre-K Operators are responsible for tracking daily attendance to determine those service recipients who achieved 90% of total school days.
- ◆ **Child Development:** Screenings and assessments offer a comprehensive look of a child's development at a certain point in time. In Year 1, F8M worked with Pre-K Operators to assess children's reading skills. Pre-K Operators administered I-station Pre-K reading growth assessments at the beginning of the school year; due to COVID-19 the end-of-year assessment was administered in March 2020.
- ◆ **Kindergarten Readiness:** Kindergarten readiness is a marker of elementary school success. It is defined at the 50th percentile of a normed national sample; Kindergarten students will be tested with a Kindergarten Readiness assessment tool in the fall. Given school closures due to COVID-19, Maycomb Capital waived the K-readiness Pay for Success results for the 2019-2020 school year.

In partnership with City and County government and private investors, F8M has engaged in an outcomes financing model to align public dollars with targeted outcomes—to ensure that children are developing their pre-literacy skills and are on track and on grade level when they enter Kindergarten.

Outcomes financing—sometimes called Pay for Success—is part of a national movement around evidence-based policymaking and procurement reform in the human services and education sectors. This approach gives the government the opportunity to expand high-quality education and human service programs in Memphis and Shelby County—where funding is linked to impact on communities. This financing arrangement aligns local spending with community outcomes, enhances accountability, and builds in transparency to human services delivery.

² Note, these indicators of success were articulated prior to the COVID-19 pandemic. As of this writing, the early care and education system is rethinking measures of success that can be fairly assessed among a global pandemic.

III. School Year 2019-2020 F8M Performance Overview

For the 2019-2020 school year, F8M funded 64 Pre-K classrooms. Of the 64 classrooms, 49 of the classrooms are designated financed or Pay for Success classrooms, and 15 are non-financed or funded directly through the City and County. As noted, in total, 1,338 students were served Q1-Q3.

A. Attendance

Attendance is considered satisfactory when students attend at least 90% of total school days in a given quarter. Consistent attendance is tied to F8M's outcome payments.

For the 64 Pre-K classrooms, as of March 12th or the end of Q3, 881 students met satisfactory attendance, meaning they attended at least 90% of total school days. This is an increase compared to Q2's satisfactory attendance by seven students or .8%. and a decrease by 34 students or 3.9% in Q1. While satisfactory attendance numbers varied between quarters, F8M maintained a cumulative (Q1 through Q3) satisfactory attendance rate of 91%. Indicated below is a breakdown of attendance data for both financed and non-financed classrooms, and an aggregate grid that highlights attendance data across all three quarters.

◆ **Financed Classrooms**

- Of the 1,026 students enrolled at some point in a F8M financed Pre-K classroom between Q1 and Q3, 700 had satisfactory attendance – they attended at least 90% of school days for which they were enrolled. The remaining 336, or 32% of students were considered chronically absent – they missed at least 10% of the days for which they were enrolled.
- The overall average daily attendance rate for F8M financed Pre-K classrooms between Q1 and Q3, from August - March, was 91%.

◆ **Non-financed Classrooms**

- Of the 305 students enrolled at some point in an F8M non-financed Pre-K classroom between Q1 and Q3, 183 or 60% had satisfactory attendance – they attended at least 90% of school days for which they were enrolled. The remaining 122, or 40% of students, were considered chronically absent, meaning they missed at least 10% of the days for which they were enrolled.
- The overall average daily attendance rate for F8M non-financed Pre-K classrooms between Q1 and Q3, from August - March, was 90%.

YTD Cumulative Attendance (N=1338)	Q1	Q2	Q3
Number of students with 90% satisfactory attendance	915	874	881
Percent students with satisfactory attendance	81%	67%	64%

B. Enrollment

Pre-K enrollment standards ensure that 95% of eligible students are enrolled in an F8M Pre-K classroom. Classrooms are considered at full capacity with 20 enrolled students, with a minimum of at least 17 students to sustain compliance.

As of March 12th, or the end of Q3, F8M enrolled within any given quarter 1,338 eligible four-year-old students, this includes those students who may have withdrawn before the end of Q3. **Q3 enrollment is a 11% increase in comparison to Q1.** By the end of Q3, F8M sustained enrollment, or students remained in a Pre-K classroom at the end of quarter, to 1,227 students **maintaining a 93% enrollment capacity**, which is an increase compared to 1,134 students or 90% in Q1 and a slight decrease by six students or compared to Q2. Indicated below is a breakdown of enrollment data for both financed and non-financed classrooms, and an aggregate grid that highlights enrollment data across all three quarters.

◆ Financed Classrooms

- Across the 49 Pre-K classrooms currently operating with F8M financing, there is a capacity to serve 980 four-year-old children throughout Shelby County.
- As of March 12th, or the end of Q3 for Operators across the county, 961 were enrolled in F8M financed classrooms. **This represents 98% of total capacity.**

◆ Non-Financed Classrooms

- F8M has the capacity to serve 300 four-year-old children across 15 Pre-K classrooms³.
- As of March 12th, or the end of Q3 for Operators across the county, 264 students were enrolled in F8M non-financed classroom. **This represents 89% of total capacity.**

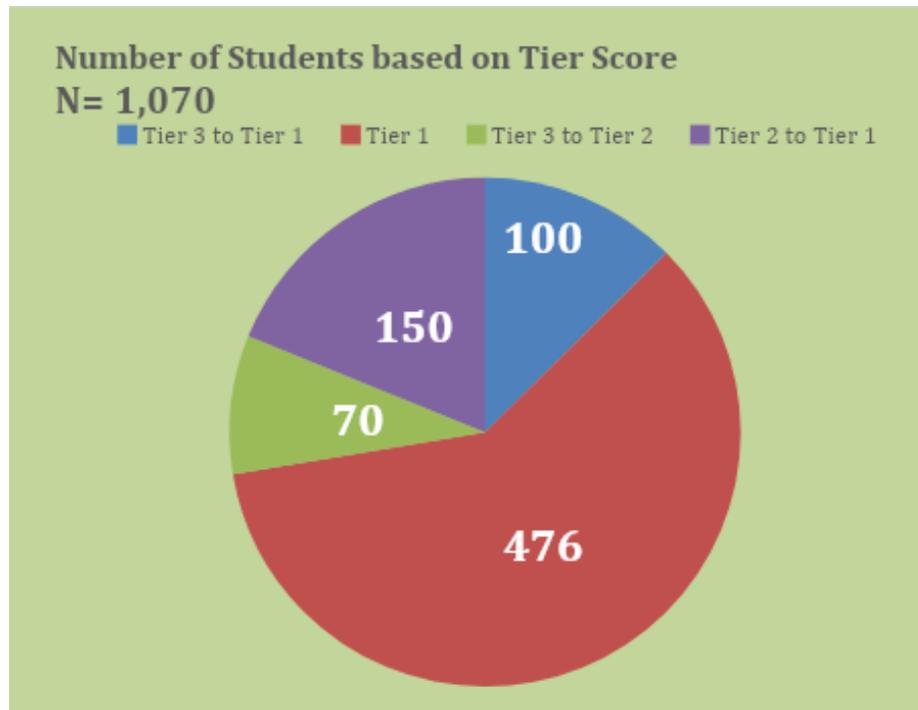
³ F8M had the potential to serve 420 students across 21 classrooms in the 2019-2020 school year. However, we have yet to execute a contract with the Achievement School District, which was proposed to host 4 of the 21 classrooms, and we also have 2 Shelby County School classrooms that were not operational.

YTD Enrollment (N=1338)	Q1	Q2	Q3
Quarterly Enrollment Capacity	1260	1320	1320
YTD Cumulative Enrollment	1185	1305	1338
Sustained Enrollment	1134	1233	1227
Percent of Capacity	90%	93%	93%

C. I-station Pre-K Growth Measure Assessment

I-station assesses students' reading growth within an academic year. The assessment is administered twice yearly - at the beginning and end of the academic year. I-station data is presented in three tiers - tier 1 indicates a child on track to meet grade-level expectations, tier 2 means the child is at some risk of not meeting grade-level expectations, and tier 3 indicates a significant risk of a child not meeting grade-level expectation.

As noted, I-station assessments were administered twice in the 2019-2020 academic school year. First in the fall and second 30 days prior to COVID-19 school closure on March 13, 2020. The pie-chart below presents the tiered percentage of the 1,070 students who were assessed. Note, assessed students are those 1,070 students who met the threshold for being enrolled in Pre-K for at least 64% of the program year.



Overall, Pre-K student reading growth assessed by I-station showed very promising results. **Eighty percent of Pre-K students were on-track for reading at grade level.** Of the 1,070 students assessed, 44% or 476 Pre-K students remained in tier 1 of I-station - they are on track to meet grade level expectations. The other 36% of students also showed improvement through the Pre-K year - 100 students moved from tier 3 to tier 1, 150 moved from tier 2 to tier 1, 70 moved from tier 3 to tier 2, and 64 remained in tier 2. The remaining 20% showed room for improvement as those students made little to no changes in tiers in this school year.

D. Other Pre-K Improvement

In addition to the improvements noted in the I-station data, F8M observational reviews also indicate an improvement of Pre-K students' academic growth from Q1 to Q3. As part of F8M's Scope of Work, F8M conducts classroom observational reviews throughout the academic year to support Pre-K quality. The reviews indicated areas of strength and areas of opportunity for each classroom related to the following indicators:

- ◆ Teachers implementing developmentally appropriate activities and classroom behavior management strategies
- ◆ Teachers incorporating instructional activities that can be utilized in small groups and within learning centers, with learning objectives clearly stated
- ◆ Teachers working to ensure I-station practice and testing is consistent

Observational reviews throughout the year indicated that some of the student improvement can be attributed to the quality of teaching and the classroom environment assessed by the above indicators. By the end of Q3, F8M notes the following improvements:

◆ **Students**

- Used previous knowledge to retell stories in their own words
- Exhibited knowledge of classrooms routines and procedures
- Engaged in learning opportunities during transition times

◆ **Teachers**

- Engaged students via questioning and related learning to real world concepts
- Planned small group learning activities related to concepts taught during whole group literacy activity that related to real world practices
- Maintained whole group learning to twenty minutes or less and maintained transition periods to less than three minutes

Q3 observations showed that extensive efforts were made on the part of the entire team (Operator's Pre-K administrative staff, instructional coaches, advisors, FSWs, and education specialists) to improve teacher and classroom quality. **This resulted in higher levels of teacher-student interaction, stronger classroom management and higher levels of student engagement.**

E. K-Readiness

Kindergarten readiness is a marker of elementary school success. It is defined at the 50th percentile of a normed national sample; Kindergarten students will be tested with a Kindergarten Readiness assessment tool in the fall. As noted, given COVID-19 and academic school closure and the uncertainty of enrollment for the 2020-2021 school year, Kindergarten readiness assessment results will no longer be a part of the Pay for Success outcome measures for the 2019-2020 school year.

IV. Supporting Students and their Families – Oversight and Quality Assurance

In Q3, enrollment and attendance remained steady with 93% enrollment capacity and 91% overall attendance compared with Q2. Consistent with the Q2 report, some of the biggest challenges and barriers to enrollment and attendance were due to transportation issues and other environmental factors. **Transportation continues to remain the largest barrier to regular daily attendance.**

A. Supporting Students Attendance

To bridge this barrier, Family Service Workers (FSW) used creative ways to encourage daily attendance and increase awareness of regular attendance among families. One of the year's innovations is the creation of Family Circle Networks. Family Circle Networks assist parents who are having trouble dropping/picking up the child. Family Circle Networks keep families connected

with the needs of their students, the FSWs and Pre-K staff. In addition to the Family Circle Networks, FSWs encouraged attendance by implementing the following strategies:

- ◆ **Helping parents understand the importance of Pre-K**
 - FSWs used face-to-face meetings to explain the importance of daily attendance to families. One FSW reported that she *“let families know that although some view Pre-K as unimportant compared to other grades, Pre-K is the foundation that will start the rest of their child’s life. If we help them build strong learning habits now, the next years of school will not be as difficult.”* Another FSW noted that she *“would meet with the [families] and discover...why [they were having a difficult time with attendance]. It would be from there that we would find solutions and develop strategies”.*
- ◆ **Providing incentives to students and families**
 - Operators provided different incentives to students and their caregivers to try to increase attendance by providing quarterly attendance certificates to the students; gift bags to families; gift certificates to restaurants; and appreciation letters via email or text.
- ◆ **Logistical support to families**
 - Pre-K Operators assisted families with transportation by means of a bus pass or rideshare service vouchers, along with sharing additional community resources.

B. Encouraging Pre-K Enrollment

FSWs and Pre-K staff also work with families to ensure that students are enrolled in Pre-K. One provider noted that the best indicator of enrollment is “ensuring that students are enrolled in their neighborhood”. Thus, FSWs indicated the greatest barrier and challenge for initial Pre-K enrollment was location assignments. Some families were unable to enroll their child in the neighborhood school and had to choose a school in a different location – sometimes having to travel further; or students are placed on a waitlist until a seat becomes available.

Another factor related to enrollment is student withdrawals. The largest contributing factor to student withdrawal is family relocation. Additional factors noted to contribute to student withdrawals included:

- ◆ Lack of family support
- ◆ Financial barriers related to paying for before- and after-school care
- ◆ Job changes (shift hours) – the primary person designated to pick up a child schedule has changed
- ◆ Parental custody issues

Furthermore, children’s behavioral challenges also impact enrollment. Child behavioral challenges can be attributed to many factors including classroom and teacher quality, child experiences of stress or trauma, and teacher bias. Child behavioral problems are often a

contributing factor for withdrawal from school as parents' understanding of their children's behavior may not be aligned with the Pre-K program and parents withdraw their children from the program. To help limit withdrawal due to behavioral challenges, FSWs encourage teachers to document all behaviors for a potential referral for behavioral or mental health screening. Also, Pre-K staff and FSWs work with parents to implement at-home strategies to support their children's behavior.

C. Systems Needs to Increase Attendance and Enrollment

There are many contributing factors to low attendance and enrollment in Pre-K. As noted, for many Shelby County families, transportation, challenges related to poverty, child behavioral issues and classroom quality are some of the factors. As F8M works to improve Memphis and Shelby County's early care and education system, we survey FSWs about ways in which F8M can be the most helpful. FSW have identified the following infrastructure and systems needs to improve attendance and enrollment.

◆ Attendance

- Create public messaging campaign on the importance of Pre-K enrollment and regular consistent attendance
- Provide additional incentives to boost attendance
- Increase administrative involvement ensuring parents adhere to attendance policies for Pre-K
- Increase access to bus passes
- Ensure access to before and after care for Pre-K

◆ Enrollment

- Improve access to student's ability to attend their zoned school
- Increase behavioral supports or classroom management supports include equipping Pre-K staff with multiple intervention plans for behavior
- Increase training on classroom management and behavioral challenges to utilize classroom management techniques to cope with such behaviors
- Link parents to Shelby County 211-information system to access Pre-K enrollment information throughout the school year to obtain enrollment or be placed on a wait list
- Assist with community outreach to help provide information about the needs of the community and sharing information about Pre-K programs

F8M will explore the possibility of implementing some of the noted system improvements to increase Pre-K attendance and enrollment.

V. Year 2 Expansion

Year 1 of F8M's comprehensive Pre-K services has proven successful. We are building a high-quality system, gathering data to understand the need and demand for Pre-K services and creating the system to provide ongoing services. Building off Year 1's success, Year 2 would give us further opportunity to serve

more four-year-old children, deepen our wraparound services, and build out a high-quality system. F8M is working to expand and improve Pre-K services for all eligible four-year-olds in Shelby County.

<p>Overarching Goal: 100 Classrooms by 2021 to serve 2,000 students</p> <p>School Year 2019-2020: 64 funded classrooms + wraparound services</p> <p>Growth Goal for 2020-2021 School Year: 75 classrooms (5-8 new classrooms + wraparound services)</p>
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In order to continue to support children and families in Shelby County, **F8M respectfully requests \$12.5 million from City and County to administer and grow the Pre-K program.** The projected budget includes funding for 75 Pre-K classrooms, funding for wraparound services in each classroom, and F8M administrative cost (which includes Pre-K assessment training and professional development, providing oversight and quality improvement protocols, administering the Pre-K RFQ process, and operational cost). Year 1 and Year 2 projected budgets are noted:

	Year 1 (School Year 2019-2020) Projected Budget	Projected Year 2 (School Year 2020-2021)
Total Public Investment	\$11 million	\$12.5 million
Funding Source	\$3 million from City of Memphis \$8 million from Shelby County	\$4.5 million from City of Memphis \$8 million from Shelby County
Financed Classrooms	\$7,350,000	\$8,000,000
Non-financed Classrooms	\$2,940,000	\$3,000,000
TOTAL	\$10,290,000	11,700,000
Total Financing Repayment	\$7,994,800	\$8,324,644
F8M Administrative Fee (7%)	\$770,000	\$875,000
Surplus (Deficit)	(60,000)	(75,000)

For the first year of F8M's Pre-K program, \$11 million in funding was provided from the City and County. Of the \$11 million, \$10,290,000 was budgeted for Pre-K classrooms; F8M was budgeted to pay \$7,994,800 to Maycomb Capital for Pay for Success outcomes. School year 2019-2020 actual numbers and F8M's FY20 actuals will be available fall 2020. As of this writing, we are projected to have

approximately \$650,000 in unspent (or surplus) funds. There were several contextual and programmatic changes throughout the school year that caused the surplus. This includes, but is not limited to, the following:

- ◆ Shelby County Schools had two non-operational Pre-K classrooms this school year due to low enrollment and an inability to secure teachers for those locations.
- ◆ Millington Municipal Schools did not receive wraparound services through Porter-Leath from August - December 2019 due to a late executed contract which resulted in prorating costs for services not performed.
- ◆ Achievement School District did not sign its contract for their 4 Pre-K classrooms this academic year; as of this writing, F8M continues to work with the Achievement School District to sign the contract in order for F8M to fund those classrooms for the 2019-2020 academic year.
- ◆ Some of F8M's Pre-K Operators expended less dollars in Q4 compared to Q1-Q3 due to COVID-19 and school building closures. While staff salaries line-item stayed the same, F8M Pre-K Operators experienced a decrease in program expenses which impacted F8M's total budget.
- ◆ F8M's wraparound service provider Porter-Leath, projected reduced expenditures in Q4 due to school closures during COVID-19 and therefore received a reduction in funds; this reduction was approved by F8M Board of Directors.

F8M proposes to use School Year 2019-2020 surplus funds to help build Shelby County's high-quality early care and education system. FY20 Actuals will be finalized by Fall 2020.

Year 2's projected budget reflects the goal to increase the number of Pre-K classrooms to reach the goal of ensuring a Pre-K seat for every eligible child in Shelby County. The projected classrooms depending on funding from City, County, and private investors.

Creating New High-Quality Pre-K Seats for 2020-2021 School Year

As noted, F8M respectfully requests \$12.5 million from City and County to administer and grow the Pre-K program in year 2. The projected Year 2 budget includes funding for 75 Pre-K classrooms, funding for wraparound services for each classroom, and F8M administrative cost. Of the 75 Pre-K classrooms, 66⁴would continue from Year 1 (note, if the Achievement School District's contract is signed, this number would potentially increase to 70 classrooms). The remaining classrooms are classrooms that were selected by a Request for Qualifications (RFQ) Committee that consisted of members of the F8M board, City and County government representatives and community stakeholders. Applications submitted April 17 were reviewed and considered for expansion by the RFQ committee.

The RFQ Committee recommended the expansion of three new classrooms and four existing expansion classrooms to the F8M board on May 12. New expansion classrooms are classrooms that did not previously exist under another funding source. Existing classroom expansion are those classrooms that existed in the previous year under a funding source outside of F8M.

⁴ SCS had two non-operational classrooms in the 2019-2020 school year that will be operational for the 2020-2021 academic school year. The F8M Board of Directors approved those two classrooms for Operation in the 2020-2021 school year.

The potential new F8M Operators for the 2020-2021 year include Perea Preschool, Promise Academy, and University of Memphis Lipman Center. The existing Operators with additional F8M classrooms will be Capstone Group at Cornerstone Denver and Libertas Montessori School of Memphis. The expansion of these classrooms are dependent on City and County budget allocation and whether or not F8M can raise funding from local private investors.

Additionally, funding is needed to cover the cost of assessments and teacher professional development. As part of F8M's program, assessments are conducted to measure Pre-K academic growth and Kindergarten assessments. Assessment costs include the cost of the assessment software, training for using the assessment tools and the additional staff cost for administering the assessments. For many of F8M's Pre-K providers assessment costs are not included in their budgets. F8M requests additional funding for City and County to cover the cost of assessments. This funding would ensure that Pre-K providers have the materials and training they need to assess their students. The results of the assessments are shared with City and County stakeholders.

Furthermore, F8M has been charged with helping improve Pre-K quality across Shelby County. Teacher professional development has been proven effective as it allows for teachers to develop the skills and knowledge, they need to adequately address students' learning needs and challenges. F8M seeks additional support to partner with Shelby County Schools and Porter-Leath to provide high quality professional development for Pre-K teachers.

F8M's 2020-2021 projected budget will be finalized once fundraising projections are determined and when City and County budgets are finalized.

VI. Conclusion

A child's early years hold the key to their success. Research demonstrates that children who have access to quality early learning are better prepared when entering Kindergarten. F8M is working to create and implement high-quality early care and education services for children and families in Shelby County. While data varied across all three quarters, F8M was able to end Q3 with higher satisfactory attendance and a 11% increase in enrollment compared to Q1. F8M will continue to work with its Operators in helping to establish systems needed to increase enrollment and attendance.

While there are some uncertainties about the 2020-2021 school year, we know we want to make sure Pre-K students are enrolled in a high-quality program in which their teachers are trained to provide developmentally-appropriate services, students are receiving wraparound services and provided with the tools needed to be ready for Kindergarten and reading by 3rd grade. F8M plays a central role in this effort. Expanding in Year 2 will allow F8M to serve more four-year-old children, deepen our wraparound services, and build out a high-quality system. F8M will continue collaborating with our stakeholders to work towards our long-term goal of improving economic and social mobility for the families and children in Shelby County.

Appendix A

Financed Classrooms

SCHOOL	CLASSROOM	OPERATOR
A.B. Hill Elementary	A. B. Hill #2	SCS
Hanley Elementary	Aspire Hanley #1	Aspire Public Schools
Belle Forest Community School	Belle Forest #2	SCS
Berclair Elementary	Berclair #2	SCS
Chimneyrock Elementary	Chimneyrock #1	SCS
Chimneyrock Elementary	Chimneyrock #2	SCS
Cordova Elementary	Cordova #1	SCS
Cornerstone Prep - Denver	Cornerstone Denver #1	Capstone Education Group
Dexter Elementary	Dexter #2	SCS
Doubletree Elementary	Doubletree #2	SCS
Downtown Elementary	Downtown #1	SCS
Downtown Elementary	Downtown #2	SCS
Freedom Preparatory Academy Elementary	Freedom Prep #1	Freedom Preparatory Academy
Germanshire Elementary	Germanshire #1	SCS

Germanshire Elementary	Germanshire #2	SCS
Getwell Elementary	Getwell #3	SCS
Highland Oaks Elementary	Highland Oaks #1	SCS
Highland Oaks Elementary	Highland Oaks #2	SCS
Holmes Road Elementary	Holmes Road #3	SCS
Holmes Road Elementary	Holmes Road #4	SCS
Kingsbury Elementary	Kingsbury #2	SCS
KIPP Memphis Preparatory Elementary	KIPP Memphis Prep #1	KIPP
Libertas School	Libertas Dunbar*	Libertas School
Libertas School	Libertas Greenfield*	Libertas School
Libertas School	Libertas Houston*	Libertas School
Libertas School	Libertas Morrison*	Libertas School
Libertas School	Libertas Smith*	Libertas School
Libertas School	Libertas Wells*	Libertas School
Lowrance School	Lowrance #2	SCS
Memphis Scholars Florida Kansas	Memphis Scholars FK #1	Memphis Scholars
Oak Forest Elementary School	Oak Forest #1	SCS
Oak Forest Elementary School	Oak Forest #2	SCS

Peabody Elementary School	Peabody #1	SCS
Raleigh-Bartlett Meadows Elementary	Raleigh-Bartlett Meadows #1	SCS
Raleigh-Bartlett Meadows Elementary	Raleigh-Bartlett Meadows #2	SCS
Ridgeway Early Learning Center	Ridgeway #5	SCS
Ridgeway Early Learning Center	Ridgeway #6	SCS
Ridgeway Early Learning Center	Ridgeway #7	SCS
Ridgeway Early Learning Center	Ridgeway #8	SCS
Ridgeway Early Learning Center	Ridgeway #9	SCS
Sea Isle Elementary	Sea Isle #1	SCS
Sharpe Elementary	Sharpe #3	SCS
Shelby Oaks Elementary	Shelby Oaks #1	SCS
Shelby Oaks Elementary	Shelby Oaks #2	SCS
Sherwood Elementary	Sherwood #2	SCS
Snowden Elementary	Snowden #1	SCS
Southwind Elementary	Southwind #2	SCS
Southwind Elementary	Southwind #3	SCS
Southwind Elementary	Southwind #4	SCS

Wells Station Elementary	Wells Station #2	SCS
Whitehaven Elementary	Whitehaven #2	SCS
Winchester Elementary	Winchester #2	SCS

* Indicates a Libertas classroom. These classrooms each have a capacity of 10 students, rather than the standard 20 students. For reporting purposes, two Libertas classrooms are merged together to count as one traditional classroom.

Non-Financed Classrooms

SCHOOL	CLASSROOM	OPERATOR
Alton Elementary	Alton #2	SCS
Bartlett Elementary	Bartlett #1	Bartlett City Schools
Berclair Elementary	Berclair #1	SCS
Bethel Grove Elementary	Bethel Grove #2	SCS
Corning Achievement Elementary	Corning #1 **	ASD Direct-Run
Dunbar Elementary	Dunbar #2	SCS
E.A. Harrold Elementary	EA Harrold #1	Millington Municipal Schools
E.A. Harrold Elementary	EA Harrold #2	Millington Municipal Schools
Egypt Elementary	Egypt #2	SCS
Evans Elementary	Evans #2	SCS

Frayser Achievement Elementary	Frayser Achievement #1 **	ASD Direct-Run
Georgian Hills Achievement Elementary	Georgian Hills #1 **	ASD Direct-Run
<i>Hamilton High School Pre-K program</i>	<i>Hamilton High #1</i> ***	SCS
KIPP Memphis Academy Elementary	KIPP Memphis Academy #1	KIPP
Libertas School	Libertas Bridges*	Libertas School
Libertas School	Libertas Jemison*	Libertas School
Magnolia Elementary	Magnolia #2	SCS
Memphis Scholars Caldwell-Guthrie	Memphis Scholars CG #1	Memphis Scholars
Memphis Scholars Caldwell-Guthrie	Memphis Scholars CG #2	Memphis Scholars
<i>Riverview Elementary School</i>	<i>Riverview K-8 #1</i> ***	SCS
Springdale Elementary	Springdale #2	SCS
Whitney Achievement Elementary	Whitney #1 **	ASD Direct-Run

* Indicates a Libertas classroom. These classrooms each have a capacity of 10 students, rather than the standard 20 students. For reporting purposes, two Libertas classrooms are merged together to count as one traditional classroom.

** Indicates a classroom run by an operator who has not executed an official First 8 Memphis contract in a timely manner. As a result of an unsigned Master Data Sharing Agreement, data for these classrooms is not included in the data.

*** Indicates a classroom for which F8M funding is available, but the classroom has neither an assigned teacher nor any enrolled students.

Appendix B



School of Public Health
Robison Hall Memphis, TN
38152-3370 Office: (901)
678-1395 Email:
dbrtelli@memphis.edu

May 01, 2020

First 8 Memphis, LLC
600 Jefferson Avenue, Suite 310
Memphis, Tennessee 38105

Community Outcomes Fund LP
c/o Maycomb Outcomes LLC
44 Court Street Suite 309
Brooklyn, NY 11201

First Tennessee Bank
165 Madison Avenue
Memphis, Tennessee 38103

Dear Ladies and Gentlemen,

Reference is made to that certain Escrow Agreement dated as of August 29, 2019 by and among Community Outcomes Fund LP, First 8 Memphis, LLC and First Tennessee Bank (the "Escrow Agreement") and that certain 2019-2020 School Year Validation Agreement by and between First 8 Memphis, LLC and the University of Memphis (the "Validation Agreement"). Terms defined in the Validation Agreement and used herein have the same meaning herein and therein. Pursuant to Section II.A of the Validation Agreement, the Independent Validator has issued a final report (the "Final Report") for the Program Cumulative Quarter ending on March 12, 2020 reflecting the Outcome Payments due and payable for such Program Quarter. Pursuant to the Validation Agreement and in accordance with the Final Report, the Outcome Payment required to be made pursuant to the Professional Services Agreement by June 30, 2020 is a payment in the amount of \$700,000.

The recipients of this certificate may rely on it to prepare, execute, and deliver the applicable escrow disbursement certificate in accordance with the Escrow Agreement.

Thank you,

University of Memphis

By: 

Name: Debra Bartelli

Title: Research Associate Professor

Independent Validator Program Quarter Report Form

Independent Validator – Quarterly Report

Program Quarter: 3

Program Quarter Dates: 01/06/2020 to 03/12/2020

Program Quarter Cumulative Dates: 08/05/2019 to 03/12/2020

Outcome Metrics and Payment Calculations

Base Cohort Number: 980

Number Enrolled: 1036

of Classrooms: 49

Consistent Attendance

Applicable in Program Quarters 1-4

- ◆ Number of Service Recipients attending at least ninety percent (90%) of school days during the quarter: 700
 - Payment Per Service Recipient: \$1,000

Consistent Attendance Outcome Payment = **\$1,000 * 700 = \$700,000**

Development of Early Reading Skills

Applicable in Program Quarter 4

- ◆ Number of IS Full-Year Service Recipients: [____]
- ◆ Number of IS Full-Year Service Recipients progressing from Tier 3 to Tier 2 over the course of the Program Year: [____]
 - Payment Per Service Recipient: \$2,000
- ◆ Number of IS Full-Year Service Recipients testing in Tier 1 at the beginning and end of the Program Year: [____]
 - Payment Per Service Recipient: \$3,000
- ◆ Number of IS Full-Year Service Recipients progressing from Tier 2 to Tier 1 over the course of the Program Year: [____]
 - Payment Per Service Recipient: \$4,000
- ◆ Number of IS Full-Year Service Recipients progressing from Tier 3 to Tier 1 over the course of the Program Year: [____]
 - Payment Per Service Recipient: \$6,000

Adjustment to account for additional service recipients:

- ◆ Positive Adjusted BCN-ISFYSR Difference = $980 - [] = []$
- ◆ Weighted-Average of IS Full-Year Recipients Result = $[\$]$

Development of Early Reading Skills Outcome Payment =

$$\$2,000*[] + \$3,000*[] + \$4,000*[] + \$6,000*[] + \$ [] * [] =$$

$$[\$]$$

Kindergarten Readiness

Applicable in Final Report

- ◆ Number of KR Full-Year Service Recipients: $[]$
- ◆ Number of KR Full-Year Service Recipients testing at or above the 50th percentile of the nationally assessed population but below the 70th percentile of that population: $[]$
 - Payment Per Service Recipient: \$4,500
- ◆ Number of KR Full-Year Service Recipients testing at or above the 70th percentile of the nationally assessed population: $[]$
 - Payment Per Service Recipient: \$7,500

Adjustment to account for additional service recipients

- ◆ Positive Adjusted BCN-KRFYSR Difference = $980 - [] = []$
- ◆ Weighted-Average of KR Full-Year Recipients Result = $[\$]$

Kindergarten Readiness Outcome Payment =

$$\$4,500*[] + \$7,500*[] + \$2,505*[] = \$[]$$

Total Applicable Outcome Payments This Period = \$700,000

Analysis Process

The process for validating the cumulative Q3 data was similar to the process used during Q2. Cumulative data from Q1, Q2, and Q3 were used to calculate the payment outcome. All Service Recipients' days were included in the calculation regardless if the Service Recipient enrolled late or withdrew early.

Data were imported into SAS 9.0 in order to run simple count analyses. Data were grouped by: student key. School key and classroom key were not used for the cumulative days because grouping by these two variables created duplicate counts for 10 students (those who left one classroom/school and transferred to another). Service Recipients' expected number and actual number of days attended were summed. The total actual number attended was divided by the total expected number attended in order to calculate the proportion of days each Service Recipient attended. Using the "actual sum" divided by the "expected sum" accounted for Service Recipients who entered the school year late or left the school year early. Those Service Recipients who met or exceeded the 90% threshold, for the total number of days enrolled, were then indicated as "1" in a new variable called "meet", all others were indicated as "0". We summed the total number of Service Recipients who met the 90% threshold – variable "meet". This analysis was checked using a pivot table in excel, and the same total number of Service Recipients were found.

Additional Analysis Information

Additional analyses were run to better understand: (1) the group of Service Recipients who met the 90% threshold and (2) which schools were contributing the greatest number of Service Recipients. Roughly 68% (N=700) of Service Recipients across all classrooms had a 90% attendance record for cumulative service days (Q1+Q2+Q3). This is identical to the cumulative Q2 findings. 64 Service Recipients had perfect attendance across the three quarters. Three classrooms had 90 percent or more of the Service Recipients meet the 90% threshold for the cumulative time (Q1+Q2+Q3). Those classrooms include: Chimneyrock #2, Dexter #2, Peabody #1. Dexter #2 and Peabody #1 have consistently had the majority of their students meet the 90% threshold. Unlike previous quarters, no classrooms had 100% of their students meet the 90% threshold.