

## Fact Sheet

# What is Minnesota's Pay for Success Feasibility Study: Enhancing Voluntary Prekindergarten with the Pyramid Model?

With a grant from the US Department of Education, the Minnesota Department of Education is exploring the feasibility of expanding use of the Pyramid Model in its voluntary prekindergarten programs. This will be an enhancement to the state's existing high-quality voluntary prekindergarten programs. To introduce the Pyramid Model into more preschool programs, the Minnesota Department of Education is considering using a performance-based contracting model, pay for success, and is seeking input from potential investors about their interest in participating.

## What is the Pyramid Model and why do voluntary prekindergarten programs in Minnesota need it?

The Pyramid Model is a framework for supporting young children's social-emotional development and addressing challenging behaviors. A strong evidence base on its effectiveness exists. The model has been used successfully in a small number of districts in Minnesota since 2010. The Minnesota Department of

Education is exploring the idea of enhancing voluntary prekindergarten programs with the Pyramid Model, believing that even high-quality preschool programs and their staffs would benefit from it. If teachers were better able to manage children's behaviors and promote positive social-emotional skills, they also would be better able to concentrate on promoting academic skills, which in turn would be likely to lead to positive academic outcomes, if not in the short term, then in the long term.

## What is pay for success?

Pay for success (PFS) is an innovative funding approach used to provide or enhance a variety of services, such as early childhood education. It uses public-private partnerships to deliver evidence-based programs that can produce positive outcomes. Private and/or philanthropic investors provide the up-front funding. If the program achieves specific agreed-on positive outcomes, government agencies repay the investors; if the outcomes are not achieved, the investors are not reimbursed.



## What are the main questions being addressed in the PFS feasibility study?

The Minnesota Department of Education contracted with SRI International to collaborate on the feasibility study of PFS as an approach for enhancing voluntary prekindergarten programs with the Pyramid Model.

The feasibility study is addressing the following questions:

- What population of voluntary prekindergarten programs and children should this PFS-funded Pyramid Model enhancement focus on?
  - Which programs might be most ready to implement the Pyramid Model? Which children would benefit most from the model, and what are the needs of the voluntary prekindergarten programs they attend?
- What are the outcomes that can be improved by the Pyramid Model and that can be used in a PFS transaction?
  - What is the evidence that the Pyramid Model can result in specific important outcomes for children like reduction in the need for special education service?
  - Are the proposed achievable outcomes ones that investors value, and could they be used in framing a PFS transaction?
- What kinds of challenges are there to moving ahead with this kind of PFS project in Minnesota?
  - Are there legal and legislative challenges and solutions?
  - Are there financial challenges and solutions?
  - Are there practical or procedural challenges and solutions?
  - Are there public relations challenges and solutions?
- What are the costs and benefits of expanding the Pyramid Model into voluntary prekindergarten programs?
  - How much will it cost to implement the Pyramid Model in different numbers of voluntary prekindergarten programs across Minnesota?
  - If the expected outcomes are achieved, what are the projected cost savings (benefits) from expanding the Pyramid Model in voluntary prekindergarten programs?
- How do potential investors view this PFS project?
  - What information do investors need to consider investing in this PFS project?
  - Do investors see this PFS project as having the potential to achieve important outcomes?
  - What concerns do investors have about the Pyramid Model, the population of prekindergarten programs and children, and outcomes? How can they be adequately addressed to attract investors?
  - Do investors have concerns or reservations about the use of PFS in general or about the specific proposed use in this project?



Based on findings from this study, the Minnesota Department of Education, in cooperation with its partners will decide whether to move forward with further exploration into using pay for success as a funding mechanism to expand the Pyramid Model into voluntary pre-kindergarten programs.

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