

## IMPACT STATEMENT

**Legislation title:** Authorize a grant agreement to provide Concordia University \$500,000 in FY 2015-16 to partially support the construction of the Early Childhood Development Center. (Ordinance)

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**Purpose of proposed legislation and background information:**

To provide financial assistance to Concordia University to partially support the construction costs of the Early Childhood Development Center.

**Financial and budgetary impacts:**

This legislation authorizes a grant agreement and provides \$500,000 to partially support the construction costs of the Early Childhood Development Center. Funds are available in the FY 2015-16 Special Appropriations.

**Community impacts and community involvement:**

*3 to PhD* is transforming conditions in the Faubion community by strengthening families to support their children's basic needs, thereby overcoming barriers that chronic poverty and community instability present to a child's learning. By ensuring children and families are healthy and safe, while providing high-quality education that employs innovative curriculum and effective teaching strategies, *3 to PhD* will change outcomes for an entire cohort of children, paving the way for them to complete postsecondary education opportunities that prepare them for a productive and meaningful adult life—and generating a positive social return on investment. Funds from the city of Portland will specifically support the Early Childhood Learning Center.

Faubion School serves one of the most diverse student bodies within Portland Public Schools and one of the most vulnerable—32% African American, 28% Caucasian, 27% Hispanic students, 10% Multi-ethnic, and 3% Asian; 22% speak English as a second language (14 languages spoken). With a child poverty rate nearly 10% higher than the district-wide average, and 77% of the 500 students eligible for free or reduced lunch, many families struggle to provide for their children's most basic needs. Nearly 25% of students live in public housing and mobile home parks, while at any given time, up to an additional one in four are experiencing homelessness (living in a car, shelter, motel, or temporarily staying with someone).

Census data highlights several areas of need in the Faubion neighborhood. For instance, while overall poverty for Faubion is comparable or even lower than the wider PPS or Multnomah County levels, poverty rates among children are much higher. Faubion families with young children have the highest rates of poverty and those headed by single females experience much higher levels of poverty in Faubion, even compared with other female-headed households across

PPS. More than 1/3 of the households with children in Faubion neighborhood are headed by a single mother.

While Faubion is academically rated above average compared to other Oregon elementary schools with similar demographics, students remain educationally vulnerable, a fact that shows up at every step of their academic journey:

- **41% of Kindergarten** students participated in Pre-K, Head Start, or Early Intervention;
- **49% of 3<sup>rd</sup> graders** were reading at grade level; **40% of 3<sup>rd</sup> graders** were meeting standards in math;
- **53% of 5<sup>th</sup> graders** are meeting reading standards; **55% of 6<sup>th</sup> graders** are meeting math standards.
- The performance of low-income, limited English-proficient, and minority children lags behind peers by substantial margins. As you can see below, there has been significant progress in some areas this current year.

*3 to PhD* is based on evidence-based practices supported by strong research documenting both short-term and long-term impact. Researchers have conducted benefit-cost analyses of several of our core programmatic interventions that calculate the benefits in financial terms and determine the net present value of the future benefits, compared with the up-front costs that are required.

**High quality early childhood education programs produce a high return on investment—**through a number of rigorous longitudinal studies, high quality early childhood programs have been found to produce a net social benefit of \$3-\$7 for every dollar invested<sup>i</sup>. For purposes of our analysis, we have used \$5, the center of this range. These benefits are calculated based on the benefits of improved test scores and graduation rates, reduced grade retention and special education referrals, and reduced crime and teen births.<sup>ii</sup> For example, disadvantaged children who do not receive high-quality early childhood services are found to be 70% more likely to be arrested for a violent crime.<sup>iii</sup> The benefits of other positive outcomes, such as self-regulation, emotional development and other non-cognitive skills have not yet been quantified and so represent additional benefits that are not captured in the ROI. This further suggests that the likely net return on investment is higher than the estimate used here.

The *3 to PhD* Early Childhood Center will include seven classrooms for up to roughly 120 children ages birth through five years. Early childhood educators, many prepared at Concordia's College of Education, will use developmentally-based lessons, materials, and instructional strategies that facilitate the healthy development of children's cognitive skills, emotional literacy, self-control, social competence, positive peer relations, and interpersonal problem-solving skills, all critical factors for children's school readiness and later success, particularly for low-income children.

*3 to PhD* has been carefully designed for maximum input from, and sensitivity to, diverse populations, with leaders including two highly respected African American educators. Concordia and Faubion are located in the heart of NE Portland, within one of the most ethnically, culturally, and economically diverse neighborhoods in the city. From its earliest stages, *3 to PhD* has proactively engaged and collaborated with diverse populations at all points of development and execution.

Following the passing of a November 2012 bond measure, the opportunity to create a new model for education by combining the rebuild of Faubion School with Concordia University's College of Education has been shaped by a community process, including multiple points of input from teachers, students, families, neighbors, and service providers.

In collaboration with Portland Public Schools, more than 20 public meetings, design advisory groups, and open houses were held, where attendees have represented African American, Latino, and Native American populations. Anticipating attendance by these diverse audiences allowed the collaborative to provide multi-lingual meeting notices, availability of translation services, childcare, meals and other considerations to ensure maximum participation by the broader neighborhood.

### Budgetary Impact Worksheet

#### Does this action change appropriations?

☐ YES: Please complete the information below.

☒ NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

<sup>ii</sup> Washington State Institute for Public Policy, *Early Childhood Education for Low-Income Students: A Review of the Evidence and Benefit-Cost Analysis*, (January 2014). James Heckman,

<sup>ii</sup> The Robert Wood Johnson Foundation and the Ounce of Prevention Fund have summarized the research on the impacts of early childhood education accordingly: Without high-quality early childhood intervention, an at-risk child is:

- 25 percent more likely to drop out of school
- 40 percent more likely to become a teen parent
- 50 percent more likely to be placed in special education
- 60 percent more likely to never attend college
- 70 percent more likely to be arrested for a violent crime

Reported in Robert Wood Johnson Foundation Commission to Build a Healthier America, *Time to Act: Investing in the Health of Our Children and Communities*

<sup>iii</sup> Reported in Robert Wood Johnson Foundation Commission to Build a Healthier America, *Time to Act: Investing in the Health of Our Children and Communities*