



Hopes, Fears, & Reality

A BALANCED LOOK AT AMERICAN CHARTER SCHOOLS IN 2011

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Chapter 6

A New Path to Rapid Reform for Districts and States

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For generations, eight states in the Southeast—Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee—have comprised the poorest and most poorly educated region in the United States. On average, those states rank 42nd in wealth and educational attainment (National Center for Education Statistics, 2009; U.S. Census Bureau, 2010). Leaders in the Southeast shoot high by aiming to hit the regional average. Instead, they should be aiming to be the best in the nation.

And they can be the best in the nation. No region has greater potential for rapid improvement. Flexible right-to-work labor laws allow reform to scale faster. Large installations of human capital providers such as Teach For America (TFA) can fuel new schools. Bold leaders in Louisiana and Tennessee have set examples that others are beginning to follow.

My colleagues and I are taking on that challenge with a new organization called 4.0 Schools, a regional school reform accelerator dedicated to thoughtful but aggressive transformation within the southeast United States. We think our organization can be a model for districts and regions that face similar challenges in growing effective new schools. The 4.0—a perfect grade point average—represents the pinnacle of individual student achievement in college. That is our hope for students who graduate from our schools. For the organization itself, 4.0 also represents a belief in continuous improvement rather than instant perfection.

During the past 13 years, the members of 4.0's founding team, as part of the Knowledge Is Power Program (KIPP) foundation development team and two school development organizations that we cofounded in New Orleans and New York, have helped more than 250 new schools open their doors. These experiences have reinforced our commitment to quality, in existing schools and in schools that are still in the pipeline. At 4.0 Schools, we pair an informed and deliberate approach with aggressive predictions for growth—a combination that has the potential to

transform public schooling in the Southeast and serve as an example to other regions across the nation. We will do our best to open great schools in communities that badly need them.

But 4.0 Schools is more than a bunch of new schools. Designed and led by veterans of our nation's best charter schools and human capital reform shops, the organization represents an informed evolution in school reform. Instead of training single school leaders, we will train teams. Instead of letting schools struggle through critical, early years alone, we will support them closely for three years. Instead of keeping every school under our management tent forever, we will help close the very worst schools, leave good schools on their own, and then focus on boosting the long-term impact of our very best schools. Our best schools will scale under their own power to play a variety of roles in reform, based on what they can do best. Some will replace the worst schools in their city. Others will scale up by launching more schools, as charter management organizations (CMOs) do now. Others will spin out efficient back-office service providers or new learning technology ventures that further accelerate regional reform. We will remain at their side to train their talent as these schools grow.

Our approach is focused on preparing communities for new schools, developing the talent needed to staff the schools, supporting that talent through teachers' vulnerable first years, and ensuring that only the highest quality schools continue.

PREPARING THE SOIL

Before we commit large resources in a market, we must ensure the conditions for long-term reform are in place. We will place our own staff in target markets to identify high-quality talent for roles on boards and within schools. Staff members also will ensure that policymakers maintain the right conditions for reform. The following are on our list of necessary criteria:

- A strong charter law that provides equitable funding and freedom from collective bargaining
- Free or extremely low-cost space
- Local leaders who are willing to spend considerable political capital
- Local philanthropists who are willing to spend money to open new schools and close bad schools
- A previous commitment to TFA or The New Teacher Project (TNTP)

We intend to build the most effective leadership training program and support network ever developed. But we will still need great people coming in the front door. After trying many new tactics in national campaigns for KIPP and New Schools for New Orleans, we have learned how to create a message that resonates with promising talent. We will manage an aggressive national campaign like TNTP's wildly successful teachNOLA (teachNOLA Teaching Fellows, 2011). We will host citywide and web-based events for anyone interested in school reform in the Southeast. We will provide cash incentives to individuals and schools who send talent to our program.

Many aspiring educators have a tough choice when picking a CMO or a fellowship. We provide aspiring leaders a community as tight as a CMO with the flexibility some CMOs discourage. We want our successful folks to leave the nest and try harder things. We also will provide an aggressive salary package of at least \$90,000 for school leaders during their fellowship year—a sum that goes further in the Southeast than in the higher-cost cities where most CMOs are growing.

Our approach offers four distinct routes to leadership: school leader, business and operations, instructional lead, and data lead. Successful founders will be called to solve complex, difficult problems we do not yet even know how to define.

WORLD-CLASS TRAINING FOR FOUNDING TEAMS

We are launching the 4.0 Academy, the country's most demanding school leader program. By investing in teams instead of in a single school founder, the 4.0 Academy leadership training takes to the next level what KIPP and Building Excellent Schools have done. We also are making training more realistic and support more structured through constant simulations, real-time feedback, and practical management tools we have collected from great schools across the country. We will place only leaders who have what it takes to build a tremendous school. We will plan for 10 to 20 percent of those participants who start the training to not “make it.”

Each school team will begin with the school leader, who will train for at least one year full time in the Academy. The leader of finance and operations at the school will receive six months of training alongside the school founder. Two more leadership team members who are focused on instruction and schoolwide data will receive at least three months of training.



We will constantly place candidates in simulated situations to act out how school leaders might handle specific situations. Intensive summer classroom sessions will teach leadership and change theory from a business school perspective. Classroom instruction will be combined with participation in student and teacher orientation at high-performing charter schools in New Orleans. Leaders also will become fluent in Doug Lemov's (2010) Taxonomy of Effective Teaching Practices.

During the training year, the school leader will be an employee of our organization. Boards of directors will hire the school leader once the leader has completed the Academy and implemented the start-up checklist.

THE TRENCHES: SITE-LEVEL SUPPORT AND ACCOUNTABILITY

To ensure we have enough control over school leaders, we will execute a licensing agreement with the founding board of each school before the school opens. Tied to that agreement will be a low-interest loan to the school to cover the costs of post-opening, start-up support. Board members must include in their charter application a signed commitment to participate.

School leaders, board members, finance and operations managers, and instructional and data leaders will each receive detailed feedback based on site visits and data collected through interim student assessments. Our staff and trusted expert consultants will begin visiting schools and providing feedback on the first day of student orientation. Leaders will visit exemplary schools throughout the school year. Experienced financial consultants will work closely with school finance and operations directors during the first few months. Additional consultants will observe board meetings during the first year of school and provide written feedback to boards, including benchmarking data.

We think every school leader will make a bad hire. The best leaders will do something quickly about the bad hire. We will build a base of teacher candidates to help replace teachers who are not making progress. If a leader needs to make a staffing change, we will help them make the change legally and quickly.

Instead of us having full CMO-like responsibility for each school perpetually, our licensing agreement will allow a school to earn the autonomy to pursue additional reforms beyond running their first school. We will require each school to undergo a comprehensive review at the end of the third year to determine how strong their



school is and which reform paths they might consider in the future. Reviews will cover board governance, finance, operations, school culture, and instructional rigor.

Schools that do not meet our performance criteria will receive critical feedback and enter a one-year remedy period. These schools will have a chance to pass the exam in year four. Schools that do not meet our requirements for entry into the portfolio will be required to begin paying back a majority of their start-up support loan and will be removed from our support network. In extreme circumstances, we will cooperate with authorizers to support orderly closure of schools we have started, including orderly dissolution of assets and placement for families into other schools.

AGGRESSIVE GROWTH FOR NEW SCHOOL EXPANSION

Schools will receive two key benefits if they pass our exam. A majority of their start-up support loan will be forgiven, based on a sliding scale related to their exam score. Schools also will be invited into an elite portfolio of schools that receive continued training and investment to replace existing low-performing charter schools or district schools, launch new schools, or spin out services or new tools to improve instruction or operations for other schools.

By providing time-limited support for a school's most critical early years and autonomy afterward for those who earn it, we maximize each school's reform impact. The 4.0 portfolio provides a broad political footing for reform by giving parents more choices and provides diverse pathways for entrepreneurial educators interested in the long term. The 4.0 portfolio builds critical connective tissue between our best schools and creates powerful incentives for schools to tackle greater challenges that fit their strengths. In particular, we see at least three specific paths that schools can follow once in the portfolio.

REPLACE LOW-PERFORMING SCHOOLS WITH EXPANDING SCHOOLS

Once a school enters the portfolio and expresses an interest in replacing an existing low-performing school, we will conduct a review of the team, the local district, and the human capital environment. We will assist schools in negotiating terms for replacement, provide early-stage funding, help secure larger growth capital, and provide additional training for team members leading expansion efforts.



Phased-in replacement is a technique we developed in New Orleans, the nation's most innovative reform community. New Schools for New Orleans worked closely with the state-led Recovery School District (RSD) to identify the lowest-performing K–8 schools in the city and then recruited leadership teams to launch new charter schools to serve the bottom three to four grades in those schools. These new schools received start-up funds from the federal government and the Walton Family Foundation. Meanwhile, RSD officials recruited a replacement principal for the remaining upper grades. This allowed RSD and the charter school to start fresh, with new leadership committed to the strategy.

After the first year of running both programs on the same campus, the RSD-operated school contracted by one grade to allow the new charter school to expand. This yearly step-back will continue until the charter school replaces the entire original school. Unlike many other takeover methods, this effort requires mutual commitment by both the district and the charter school operator. In extreme circumstances, we will explore portfolio schools taking over complete control of existing charter schools. These schools must be small; human capital must be available; and political support for takeover must be strong.

HELP SCHOOLS REPLICATE AS CHARTER MANAGEMENT ORGANIZATIONS

In some cases, local politics or lack of leadership within the district may prevent schools from pursuing replacement strategies, or school leaders themselves may be neither prepared nor interested in replacement. Another option, then, is more traditional expansion into a CMO—smaller and more nimble than many current CMOs—by adding three to seven new schools to existing schools. As with schools involved in replacement, leadership teams preparing to launch new sites will receive Academy training, negotiating help, and early-stage funding. We also will help secure larger growth capital from partners such as the Charter School Growth Fund.

LAUNCH ADDITIONAL REFORM TOOLS THAT ARE NOT NECESSARILY SCHOOLS

We think the next wave of innovation in K–12 will come from within high-performing independent charter schools like those we launch. For example, after Doug Lemov created his Taxonomy of Effective Teaching while at School



Performance in New York, the CMO Uncommon Schools served as both investor and laboratory for later-stage refinement. We believe there are many more tools like this waiting to be developed.

Some schools might be best suited to spinning out services such as back-office support to other schools. A great example of this is Charter School Business Management, started by Raj Thakkar, the former chief financial officer of Explore Charter School in Brooklyn. Thakkar saw a need for quality back-office support in other schools and proposed to Explore Charter School's founder that he start a new company while committing to serve Explore as his first client. This innovation expanded the impact of high-quality back-office practices to 100 more schools, while lowering Explore's costs of doing business.

A final example of investing in school-based entrepreneurs comes from New Orleans. Sci Academy, launched by a graduate of the New Schools for New Orleans fellowship, is the highest performing open-enrollment high school in the city. A teacher at the school, Jennifer Schnidman Medbery, worked in technology before teaching and while at Sci Academy found a better way to manage the growing stream of student-level data in the school. After creating an easy-to-manage database, Medbery thought other schools might want the same help. With encouragement from her principal and early-stage funding from the Idea Village, an entrepreneurial incubator based in New Orleans, Medbery launched Drop the Chalk to spread the technology (Fenn, 2011). Medbery, who has won every business competition she has entered, is currently serving 15 schools in New Orleans. Entrepreneurs in the 4.0 portfolio will receive similar early-stage support from an informed partner.

Whether our best schools expand to replace low-performing schools, add new sites, launch services, or build tools, our unique blend of intense training and support with long-term portfolio investing aims to catalyze unprecedented high-quality school reform across southeastern United States.

OUR GOAL: A REGION TRANSFORMED

Many local funders see courting or expanding KIPP as the answer to reform, but this approach comes at the expense of much-needed upstream investments in new school providers and reform tool developers. At best, KIPP can handle 5 to 10 percent of a midsize market's demand for better schools. For a market to have

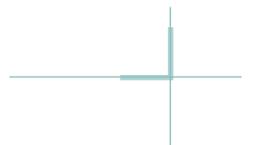


enough high-quality new schools, more schools must be built locally. Large CMOs are unlikely to produce all the needed reform tools. We need comprehensive strategies to build the next generation of reform shops, and funders need encouragement to go down that path.

To date, national investments in local reform tend to stay focused on a few very large cities, with only a little attention to the occasional midsize market. A strategic approach to reform in mid-sized markets and rural communities can deliver much more impact than focusing only on the traditional large-scale battlegrounds of Los Angeles, Chicago, and New York. The 4.0 program can enhance current reform strategies by shifting some national resources into new school and service provider creation and proactively building pipeline capacity in midsize urban markets and rural communities.

Only five years ago, New Orleans was ranked dead last in student achievement in Louisiana, itself the nation's worst-performing state. Frederick Hess (2010), of the American Enterprise Institute, and two coauthors, Stafford Palmieri and Janie Scull, released a report that put New Orleans atop a list of U.S. cities that have developed "hospitable terrain for reformers." Within that terrain, 4.0's leaders have a dense network of high-quality schools and reform organizations to rely on for residency and training support.

We believe that a responsive system of independent, accountable schools can serve families better than an entrenched, calcified bureaucracy. If enough people commit to the same vision, the Southeast can move from the back of the pack to the front and set a standard for the rest of the nation.



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