

# Investing in Charter Schools

A GUIDE FOR DONORS



PhilanthropyRoundtable



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PREPARED FOR  
THE PHILANTHROPY ROUNDTABLE  
BY  
PUBLIC IMPACT

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PhilanthropyRoundtable

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## Letter from The Philanthropy Roundtable

The Philanthropy Roundtable is delighted to publish this guidebook, prepared by Public Impact, on how philanthropists can best support the charter school sector.

The Roundtable is committed to helping donors achieve dramatic breakthroughs in the improvement of K-12 education—an area in which many charter schools have proven themselves especially effective. Nearly 18 years after the nation’s first charter law was passed in Minnesota, 40 states and the District of Columbia now have charter school laws and more than 4,000 charter schools serve over 1.4 million students—about 3 percent of the nation’s public school population. Families continue to clamor for more charter schools, lining up on long waiting lists for the chance to enroll their children.

Today, a new set of challenges confronts the charter school sector and its supporters. To be sure, charter schooling remains one of the nation’s most promising efforts to produce more excellent public schools, especially for low-income and minority students. The question is now one of expansion: How can donors help take the best of the charter sector to scale—while at the same time maintaining high standards of quality? To address these emerging questions, The Philanthropy Roundtable commissioned this guidebook.

The Philanthropy Roundtable gratefully acknowledges the generous support of the Bodman Foundation, the Annie E. Casey Foundation, the Pumpkin Foundation, and the Walton Family Foundation for making this guidebook possible.

The Philanthropy Roundtable holds public meetings around the country where donors can exchange ideas, strategies, and best practices. We also offer customized private seminars, at no charge, for donors who are thinking through how they can make the greatest difference in their giving. Please contact us at 202.822.8333 or at [main@PhilanthropyRoundtable.org](mailto:main@PhilanthropyRoundtable.org) if you would like further information.

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## Chapter I: Introduction

Many philanthropists put improving public education at the top of their agenda, but for many years donors have struggled to have a real impact on sub-par schools. Too often, grants to support reform in existing schools have made little difference toward improving student performance.

Enter charter schools. Independently operated and free from many laws and regulations that constrict traditional district schools, charter schools strike many funders as one of the most effective ways to invest in public education. Nearly 18 years after the nation's first charter law was passed in Minnesota, charter schooling remains one of the nation's most promising efforts to produce more great public schools, especially for low-income and minority students. Forty states and the District of Columbia now have charter school laws, and more than 4,000 schools serve over 1.4 million students—about 3 percent of the nation's public school population. Families continue to clamor for more charter schools, lining up on long waiting lists for the chance to enroll their children.

### What is a Charter School?

*A charter school:*

- is a public school funded with public money.
- is tuition-free for all students.
- is non-sectarian, non-religious, and may not discriminate in student admissions.
- is chosen by families.
- is semi-autonomous, operating under its own charter—hence the name—and thus exempt from many of the regulations and collective bargaining agreements under which traditional district schools operate.
- is free to be a unique school designed to meet the needs of the students it intends to serve.
- is required to meet the same graduation standards as other schools.
- is responsible for improving student achievement and adhering to its charter contract, or face closure.
- receives discounted funding (in most, but not all, states), thus making it partially reliant on philanthropic support.
- can be a stand-alone school or part of a network of charter schools.
- can be nonprofit or for-profit.

## **The Promise of Charter Schools**

The promise of charter schools helps explain why philanthropists from coast to coast continue to play a vital role in the charter sector, as they have from the very beginning. For nearly 20 years, funders have supported school entrepreneurs during the critical start-up years. They have helped successful charter schools replicate themselves. They have backed organizations that exist to help charter schools succeed and have educated state leaders about the need to foster a charter-supportive policy environment. And they have helped create an educational sector that liberates teachers and administrators from the constraints imposed by traditional district schools, allows more experimentation and innovation in the classroom, and provides public education choices for parents and students.

### **Why Charter Schools?**

Donors across the country have backed charter schools because of the sector's potential to:

- Circumvent the barriers to change in traditional district schools by starting new schools.
- Create opportunities for breakthrough approaches to educating young people.
- Provide diverse schooling options, especially to parents who cannot afford private school.
- Bring more entrepreneurial leadership into education.
- Foster greater accountability for results.
- Introduce competitive pressures for improvement into public education.
- Empower parents and community organizations to directly shape children's education.
- Generate models that can be used in schools everywhere.

Many charter schools across the country have moved to the forefront in educational achievement, and some are producing astonishing results with traditionally underserved groups of students. The most successful have served as models for new charter schools and, in some areas, spurred innovation in traditional district schools.

### Donor's Perspective

#### “Almost All of These Schools Are Charter Schools”

Nine years ago, the [Bill & Melinda Gates] Foundation decided to invest in helping to create better high schools, and we have made over \$2 billion in grants.... Many of the small schools that we invested in did not improve students' achievement in any significant way.... But a few of the schools that we funded achieved something amazing. They replaced schools with low expectations and low results with ones that have high expectations and high results. These schools are not selective in whom they admit, and they are overwhelmingly serving kids in poor areas, most of whose parents did not go to college. Almost all of these schools are charter schools.

Bill Gates

*Co-chair and trustee, Bill & Melinda Gates Foundation*

### New Opportunities, New Challenges

For all of its potential, the sector still faces many challenges. Though many funders remain excited by the possibilities of chartering, they nevertheless share a number of concerns about the state of the sector.

- **Quality.** The quality of charter schools remains uneven. It is not uncommon to find charter schools among the very best of a city's or state's public schools—but also, sometimes, among the worst. And it has proven difficult for those who oversee charter schools to shut down those that are unsuccessful. Many funders wonder if they have done enough to insist on high quality in the schools they support.
- **Funding.** Charter schools continue to be under-funded. Almost all states deny charter schools capital funding, forcing them to spend a portion of their operating funds on facilities. And in many states, charter schools receive less than 100 percent of the operating funds district schools receive.

- **Access.** Access to charter schools varies greatly across the country. Ten states do not even permit charter schools, and the laws of many other states hinder the growth of truly independent charter schools. According to the **Center for Education Reform**, which publishes a charter school laws “report card” annually, only 21 states earn an “A” or a “B” for the quality of their charter laws.
- **Opposition.** While charter schools have gained bipartisan support in many places, in others the political backlash against them has grown along with the sector. Even where charter schools are producing extraordinary results, they remain controversial due to the threat they pose to established interests. Opponents seek to limit the number of charter schools, restrict their autonomy, cut their funding, and place them under the authority of school districts and collective bargaining agreements.

To address these challenges and help the charter sector live up to its potential, a broader spectrum of private donors, foundations, education entrepreneurs, businesses leaders, and policymakers must take some new and different steps. Relying solely on the strategies and the players of the past is simply insufficient given the challenges of the future. Too much is at stake to allow charter schools to plateau, especially at a moment when charter schools are an option available to just 3 percent of public school students nationwide.

### **The Need for Small- and Mid-sized Funders**

Today more than ever, the charter sector needs an influx of small- and mid-sized funders. Smart investments, even if modest, can be leveraged to produce big results. There is a widespread feeling among charter-sector donors that additional funders must be brought into the charter sector. No one can quantify precisely what it would cost to build the sector from its current size to its potential scale, but the price-tag would surely reach into the tens—perhaps even hundreds—of billions of dollars. Current donors see this need at all levels of the sector, from national organizations needing support for scaled-up efforts to individual schools just starting out.

### Leveraging Smaller Investments

The great majority of foundations do not have tens or hundreds of millions of dollars to invest in any one program. Having a more modest sum to direct, however, does not mean that a donor cannot have an important impact on the quality of the charter school sector.

Generally speaking, there are two main strategies for wielding influence with smaller grants.

***Finding strategic niches.*** One strategy for effectively using smaller grants is to precisely target charter-related initiatives—especially those whose existence is significantly affected by a \$10,000 to \$50,000 investment. Patient, strategic donors can find opportunities to make their five-figure investments reap enormous dividends. (Please see the sidebar titled, “Finding Market Niches in the Charter School Sector.”) And, even without finding new programs, all of the multimillion-dollar examples given throughout this guidebook have their smaller-dollar counterpart at the local level.

***Collaboration.*** The other strategy for effectively using smaller grants is to combine funds with those of other donors to create a larger pool of resources. A funder can do this independently, simply by talking with other potential donors and developing a fund, the uses of which are left to the investors’ joint discretion. Or a funder can contribute money to already established funds, such as those managed by community foundations or those initiated by other funders for the express purpose of drawing in multiple funders to support charter schools.

We have added brief sidebars throughout this guidebook titled “Leveraging Smaller Investments.” In these sidebars, a variety of donors describe some of their very best small-scale, high-impact charter school grants.

Perhaps more important than funds, however, is the energy, vitality, and innovation that small- and mid-sized funders can bring to the charter sector. To encourage this new wave of smart, smaller funders, this guidebook offers chapter-by-chapter advice for relatively small donors, as well as examples of truly consequential, sub-six-figure charter-related grants.

### Expert's Perspective

#### Finding Market Niches in the Charter School Sector

Nobody has ever suggested that, having written *Harry Potter and the Sorcerer's Stone*, J. K. Rowling should have launched a publishing company to market the book. It was never expected that Microsoft would only be viable if it started manufacturing and selling computers, or that Amazon.com should only be taken seriously if it opened a chain of brick-and-mortar stores.

Yet that all-or-nothing mindset can be found among some K-12 education reformers. Dollars are primarily directed to entrepreneurs who open highly successful new schools. Most of these schools succeed by hiring top-tier personnel, extending the school day, and creating disciplined cultures. This “whole-school-or-nothing” approach has favored truly excellent practitioners who accept conventional notions of how schools work—at the expense, however, of innovators who pioneer new ways of addressing stubborn challenges.

As a result, relatively conventional ideas (like adding instructional time) have diverted attention from radical innovations (like technology or specialization) that don't necessarily lend themselves to “whole school” reform models. It has also favored reformers who *augment* rather than *reinvent* school practices, leading to an underinvestment in providers more likely to deliver cost-efficiencies which free up resources to drive improvement.

The charter sector remains heavily influenced by the philanthropic community, which has played an enormous role since its beginning. Attentive to the promise of charter schools, in 2003 The Philanthropy Roundtable commissioned *Jump-starting the Charter School Movement: A Guide for Donors*. Today, given the challenge of growing the charter school sector while maintaining its quality, the Roundtable has commissioned this thoroughly revised guidebook, which builds on the earlier work while drawing heavily on recent developments in the charter sector and incorporating the advice of leading charter funders.

This “whole-school-or-nothing” mindset furthermore slows charter-sector growth because new ventures must go through the entire energy-sapping routine of launching a new school—even if only a limited portion of this energy actually builds on core expertise. Would Amazon.com have grown as fast, had as big an impact, or served its customers as well if investors had expected Jeff Bezos to mimic his competitors by building a national chain of retail outlets? Amazon’s success was precisely that its technology-driven solution wasn’t simply a “more, better” version of the familiar bookstore.

Ultimately, charter-school builders are just one key element of a vibrant reform ecosystem. Specialized new providers can help provide and finance facilities, recruit and train educators and school leaders, use technology to deliver or enhance instruction, deliver tutoring, offer data systems and management, craft curricula and instructional materials, and provide high-quality assessment and performance analysis. In doing so, they can ease the lives of charter operators and increase the likelihood of dramatic, replicable advances in quality and productivity.

*Frederick M. Hess is the director of education policy studies at the American Enterprise Institute. This sidebar is adapted from “Encouraging Diverse Suppliers,” co-authored by Hess and Bruno V. Manno, senior associate for education at the Annie E. Casey Foundation.*

The goal is to offer donors new to the field the best ideas about the most effective ways they can support a high-quality charter school sector, both in their communities and across the country. To that end, this guidebook draws on the deep experience of many of the sector’s most active funders. It reflects their thinking about how private philanthropists can lift the charter school sector to a new level of excellence in the next 20 years. These funders have many different ideas about the best ways to support chartering. As a result, this guide does not offer a simple recipe for all donors to follow. Instead, it offers a menu of possibilities for readers to choose from, adapt, and implement.

### Quick Facts on the Charter Sector

- In 1991, Minnesota passed the first charter school law in the United States. California followed suit in 1992.
- 1,400,000 students attend 4,600 public charter schools in 40 states and the District of Columbia (as of early 2009).
- 426 new public charter schools opened in the 2008-09 school year. In 2007-08, 362 new public charter schools opened.
- 26 states impose limits or caps on the number of charter schools that may operate.
- 60 percent of students in public charter schools are minorities.
- 78 percent is the average per-pupil funding charter schools receive relative to district schools.
- 9 percent is the market penetration among Arizona's charter schools, making it the highest market share among the states.
- 55 percent is the market penetration among New Orleans' charter schools, making it the highest market share among the major cities.

Source: *National Alliance for Public Charter Schools*

### A Word of Caution

Before considering charter-support strategies, a word of caution is in order: *The charter school landscape differs vastly from state to state.* Depending on each individual state's charter law, funding formulas, flexibility, and authorizers (the organizations that license and oversee charter schools) can vary widely. New funders, especially those working in a specific city or state, must take the time to learn about the local landscape. They must investigate and become thoroughly familiar with the state's charter laws—assuming, of course, that their state even has charter laws. (Please see the sidebar titled “For National and State-by-state Charter Information.”)

### For National and State-by-state Charter Information

Several organizations provide information about the national charter school sector and links to state websites for more information.

- The **National Alliance for Public Charter Schools** provides resources about the state of the sector, offering state-by-state contact information for on-the-ground, local organizations, at its website, *publiccharters.org*.
- The **U.S. Charter Schools'** website, *uscharterschools.org*, provides general information and links to resources for and about charter schools.
- The **Center for Education Reform** rates state charter laws and compiles and distributes an annual directory of charter schools across the nation. Those resources are available at the Center for Education Reform's website, *edreform.com*.
- The **Charter School Growth Fund** hosts a Charter Market Database, designed to assist charter school operators, funders, and other members of the national charter community to better understand the dynamics of different public charter school markets and to share knowledge of these dynamics with each other. The database can be found at *charterfundgrowth.org*, and is updated regularly as new information is added by users and collected by members of the fund's team.

In addition, The Philanthropy Roundtable aims to facilitate funders' support for high-quality charter schools through conferences, publications, and specialized consulting services. To learn more about our work, please visit *PhilanthropyRoundtable.org*. For contact information for the projects and funders referenced in this guidebook, please see the appendices.



## Chapter II: Five Strategic Priorities

When making grants or investments in the charter school sector, donors naturally want to be strategic. They want to focus their funding on activities and organizations that can make a long-term difference for the success of chartering. How can funders target their resources to maximize their return on investment in a high-quality charter sector?

Taking the charter sector to the next level—in terms of both scale and quality—will require addressing these five strategic priorities:

- **Building a Robust Supply of High-quality New Schools:** Since the first charter school opened in 1992, the number of charters nationwide has grown tremendously. But families continue to demand more charter schools, with waiting lists growing steadily longer and parents becoming ever more frustrated. How can donors help ensure that there are enough new charter schools—and sufficient excellence among them—to fulfill the demand for better schooling options?
- **Priming the Human Capital Pipeline:** In charter schools, as in all schools, teachers and leaders are absolutely essential to student success. Yet charter schools face shortages of highly effective teachers and leaders, especially those who are prepared to work in their unique environments. Funders will have an important role to play over the next several years, supporting the development of a well-primed pipeline of talented human capital for charter schools and helping fund the development of innovative technologies that can decrease the dependence of the sector on finding ever more sources of talent.
- **Addressing Critical Operational Challenges:** Severe operational challenges have made it difficult for charter schools to start and thrive. Obtaining adequate “back office” services, financing facilities and operations, and developing sound business and accountability plans are among the most prominent difficulties. Tackling these challenges would help more charter schools open, and help existing charter schools focus on creating great learning programs.

- **Defining and Improving Quality:** Charter school authorizers are the organizations that grant charters and oversee charter schools. In theory, they exert quality control in chartering, screening out unqualified charter applicants and holding schools accountable for results. But too few authorizers are equipped to perform these roles well. Beyond authorizers, there is minimal information available to the public about how well charter schools are doing. Donors can help by investing in the collection and dissemination of data on charter schools and by establishing clear measures and standards of quality for charter grantees.
- **Forging Charter-friendly Public Policies:** Charter school policy establishes the processes and conditions under which all of a state’s charter schools must operate. Yet in too many states, charter school policies are hindering the potential effectiveness and the scale of the charter sector. In other states, good policies are under attack by charter opponents. Charter advocates are rarely as well-organized or well-funded as those who challenge them. Public policy will remain a major factor in determining whether the charter school sector is able to capitalize on its successes so far and continue to grow with quality.

The bulk of this guidebook is dedicated to a close examination of these five strategic priorities. The guidebook describes each strategic priority in detail and explains how funders are addressing it—or hope to. A concluding section pulls back for a broader view, examining the next phase of philanthropic support and suggesting a series of “Big Ideas” in need of funding. The guidebook concludes with two appendices that provide contact information for the grantees and funders highlighted in the text.

## Chapter III: Building a Robust Supply of High-quality New Schools

How can donors help ensure that there will be enough new charter schools—and high enough quality among them—to fulfill the great and growing demands for better schooling options for American students? How can donors help ensure there will be enough good, new charter schools to contribute to wider changes in public education?

For the charter sector to fulfill its promise, it needs a steady supply of excellent new schools. As the sector has matured, two primary supply routes have grown up within it: opening individual new schools and replicating successful schools through charter school “brands.” Many donors have a strong bias in favor of one or another of these methods—investing solely in brands to help achieve scale more rapidly, or seeding only new individual schools to help foster greater innovation.

### Ideas for New Funders

- Provide start-up funds to one or more local charter founding groups with real potential for success.
- Provide funds to “brand-name” charter management organizations (CMOs) so they can open new charter schools in the community.
- Provide funds to an intermediary so it can invest in—and, more importantly, demand results from—the most promising charter schools.

Rebecca DiBiase manages investments in school districts and charter schools for the **Eli and Edythe Broad Foundation**. “We invest in replication,” she says, “because we believe it is the fastest way to scale with quality. But we know that every good replicated school started as an individual charter school. If they didn’t receive support, we wouldn’t have the next generation of replications.” Both methods are necessary; neither alone is sufficient.

## Support for Individual Schools

Individual, “one-off” charter schools embody the entrepreneurial spirit of the charter school sector and remain an important force in providing innovative high-quality educational options for children. Philanthropists continue to play a vital role in aiding education entrepreneurs’ efforts to design and start up these new schools. (Please see the sidebar titled “Supporting New Charter Schools.”)

### Supporting New Charter Schools

The **Walton Family Foundation**, based in Bentonville, Arkansas, has made many contributions to the development of the charter sector, but one of its most wide-reaching and best-known strategies is direct grants for planning, starting-up, and implementing new charter schools. Since 1997, Walton has made approximately 400 planning grants of \$20,000 to help groups develop business plans for new schools, and an additional \$10,000 to help them write the charter proposals that are required by most charter school authorizers (which are the agencies that approve and oversee charter schools).

In addition, Walton has awarded approximately 750 grants of \$250,000 to help schools during the start-up phase. To maximize its impact, the foundation targets certain states and cities, places where charter schools have the potential to achieve significant market share. To receive initial funding, schools must successfully complete a rigorous screening process by providing a detailed business plan, maintaining a positive credit report, and demonstrating strong potential for delivering excellent academic results for students. Subsequent grants are contingent on achieving these ambitious performance goals.

The Texas-based **Challenge Foundation** was established in 1989 by Georgia Gulf Corporation entrepreneur John Bryan, and was an important pioneer in charter school philanthropy. The foundation was enthusiastic early on, providing seed capital for 185 charter schools nationwide early in the sector’s history. Today, it supports a growing number of **Challenge Foundation Academies (CFAs)**. The foundation runs four CFAs, including a K-5 charter school in Indianapolis, a three-campus (K-5, K-8, and 6-12) charter school in the greater Denver area, as well as two charter schools (K-5 and 6-12) in rural areas near Charlotte, North Carolina. Construction is underway for two more CFAs, with campuses set to open near Phoenix (in August 2009) and Asheville, North Carolina (in 2010).

Funders point out that all of the sector's highly successful networks of schools began their life as a single school, and the future success of the charter school sector will depend in large measure on the continued innovation in individual new schools. (Please see sidebar titled "Donor's Perspective: Planning and Start-up Grants for New Charter Schools.")

The Challenge Foundation is also looking into potential sites in Baton Rouge, St. Louis, and Deltona, Florida.

Central to its "brand" is a core knowledge component. CFAs believe, in the words of E. D. Hirsch Jr., professor emeritus of education and the humanities at the University of Virginia and founder of the **Core Knowledge Foundation**, that "for the sake of academic excellence, greater fairness, and higher literacy, early schooling should provide a solid, specific, shared core curriculum in order to help children establish strong foundations of knowledge."

The **Beginning with Children Foundation**, based in New York City, operates two charter schools in Brooklyn. The first, **Beginning with Children Charter School**, began as a private school and converted to charter status when New York state passed its charter law in 2001. The second opened in 2000. Joe and Carol Reich established the foundation in 1989. Joe, a highly successful investment manager with a penchant for starting new businesses, and Carol, a developmental psychologist, have invested roughly \$4 million in the schools since they opened, and intend to provide a high-quality education to children in Brooklyn while effecting positive change in the broader public school system.

The **Henry Ford Academy** is a public charter high school in Dearborn, Michigan, that was created in 1997 by the **Ford Motor Company Fund** and the **Henry Ford Museum**. Located on the campus of Henry Ford Museum and Greenfield Village, the Henry Ford Academy is the nation's first charter school developed jointly by a major multinational corporation and a nonprofit cultural institution, working in partnership with the local school district. Ford Motor Company Fund provided \$6 million between 1996 and 2000 to support development of the school's facility and core curriculum. In exchange for its investment, the fund saw nearly 90 percent of the academy's graduates go on to post-secondary education, a figure that is much better than usual, given the school's demographics.

## **Donor's Perspective**

### **Planning and Start-up Grants for New Charter Schools**

Donors of all sizes can make meaningful contributions to public charter schools. While the Walton Family Foundation (WFF) makes significant grants to groups driving school replication and policy reform on a national scale, its “bread and butter” giving strategy since 1998 has been to make planning and start-up grants. These grants are directed to qualified entities in local communities, helping them plan and build individual high-quality public charter schools.

Small donors are especially important to the success of the charter school sector. A grant of even \$10,000 can go a long way toward helping a local public charter school start an instrumental music program or pay for a portion of curriculum development. Likewise, \$10,000 can help a high-performing charter management organization (CMO) create 10 more seats at high-quality schools, or help a statewide charter school association launch technical assistance and advocacy programs which serve an entire state's population of charter schools.

### **Low-income Focus**

The Walton Family Foundation makes grants to qualified charter schools that serve primarily low-income families who typically do not have the resources to select private or high-performing district schools for their children. Foundation grants help new schools gain necessary resources to open successfully. New charter schools have significant and expensive needs, from planning to board development, teacher recruitment and preparation, and acquisition of school furniture, fixtures, and supplies. WFF invests in both charter school replications (organizations that grew from a single, high-performing school to a management organization that oversees a number of charter schools) and individual public charter schools.

### **Planning and Start-up Grants to Public Charter Schools**

Making strategic grants to school-founding groups—typically local educators, community organizations, and nonprofits—can produce strong results. Over the past decade, WFF has made 750 grants to individual public charter schools. Two-thirds of these schools are stand-alone charter schools. WFF invests in qualified new public charter schools in 38 of the largest urban school districts in the

country, with grants up to \$20,000 for qualified planning groups and grants up to \$250,000 for qualified new public charter schools. Charter schools in every community can be supported with a similar strategy to help them with planning and start-up costs.

The overarching goal of our charter school grantmaking is to invest in schools that improve student achievement in reading, language arts, and math, as measured by valid and reliable standardized tests. Schools must develop specific metrics and set annual targets for academic student performance, systems for measuring progress against those targets, and strategies for refining instruction to achieve those outcomes. When it considers applications, WFF looks for evidence of strong governance, curricula and assessment planning, and teacher compensation.

WFF makes nearly all of its individual charter school grants through grant committees: teams of education, business, foundation, and legal experts convened in many states, with the help of individual statewide charter school associations. When there is no committee, it interviews school applicants directly after considering the strength of applications received on our website.

### **Investments in a Single School Can Help Create Lasting Success**

Making an investment in the start-up of a viable stand-alone charter school can result in significant success. For example, in the fall of 2000, WFF visited the **Academy of Math and Science (AMS)** in Tucson, Arizona, after researching new school openings in the area. At the time, the small, sixth through eighth grade program served 27 students (75 percent of whom were low-income) and was housed in an old strip mall. While the school struggled with low enrollment and high start-up costs, the school's founder was an impressive leader. She presented an education program based on Core Knowledge standards and a comprehensive set of standards used in schools where the founder had taught in Europe for 10 years. With strong training and advanced degrees in education, the founders had created a clear and rigorous curriculum and were determined to demonstrate that all students can learn to high standards.

WFF made an initial grant of \$150,000 to AMS in 2000 and, after reviewing academic and fiscal performance, a subsequent grant of \$67,100 in 2003. Today, the Academy serves 273 K-12 students and is one of the highest-performing public schools in Tucson.

In 2008, it won the U.S. Department of Education’s No Child Left Behind “Blue Ribbon Award” and is accredited by the American Academy for Liberal Education. To this day, the founder remains the school’s director.

Supporting an individual charter school or an entity that assists many charter schools can make a significant and lasting impact on students, their local communities, and the broader charter school sector. We’ve also learned at WFF that an investment in a single charter school’s start-up can bring rich results to future generations of students.

Cathy Lund

*Senior program officer, Walton Family Foundation*

While individual schools are critical to continued growth and innovation in the charter sector, it has become clear that to reach the scale—necessary both to meet demand and to impact public education more broadly—the sector cannot rely solely on individual, stand-alone schools.

### **Leveraging Smaller Investments**

#### **Getting Stand-alones to Stand Together**

The **Rogers Family Foundation** invests \$75,000 per year in the Oakland Charter School Collaborative. There are 33 charter schools in the Oakland Unified School District, but many of them are independently run. They’re focused on their work, and aren’t necessarily working together on issues of common concern. Through a grant to the **California Charter Schools Association**, we were able to hire an executive director who in turn helped create the Oakland Charter School Collaborative. Under the auspices of this collaborative, which has about 25 of the charters participating, we have been able to start a charter athletic league, apply and receive funds for emergency preparedness training, share best practices, develop relationships with the district around financial and facility issues, and represent charter schools during ongoing discussions about a new city parcel tax.

Brian Rogers

*Executive director, Rogers Family Foundation*

Some funders also argue that, as a group, stand-alone schools are unlikely to produce the consistent quality needed to power a vibrant charter sector. In the effort to “scale with quality,” several funders have invested in organizations that fall generally into two categories:

- **Brands:** organizations that seek to start multiple quality new schools with readily identifiable common features; and
- **Intermediaries:** organizations that aim to help multiply new high-quality schools, not necessarily linked under a common “brand.”

### Investments in Brands

Most strong industries have one or more compelling “brands.” Consumers come to know a brand and what it signifies—certain characteristics, a given standard of quality. Brands have proven very useful in the marketplace. Not only do brands signal valuable information to consumers, but they also create powerful incentives for their owners to maintain quality to keep the brand-name strong. Perhaps most importantly, brands can achieve economies of scale that make them more efficient than stand-alone shops. For these reasons—and based on the success of a handful of individual charter schools—the nation has seen the rise of a significant number of charter school brands over the past several years.

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Charter Management Organizations (CMOs) are the “brands” of the charter sector, with quality control and cost efficiencies.

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Several of these schools are organized together under the umbrella of nonprofit “charter management organizations” (CMOs). These brands are tightly organized. Their schools closely resemble each other. They exert powerful quality control. And, from curriculum development to teacher recruitment, from facilities services to professional development, CMOs operate many services centrally in order to cut out reduplication and achieve cost-savings. (For more information about charter school brands, please see the sidebar titled “Brands: Supporting Networks of New Schools.”)

### CMOs vs. EMOs

There is a crucial difference between charter management organizations (CMOs) and education management organizations (EMOs).

CMOs are *nonprofit* charter school networks, while EMOs are *for-profit* charter school networks.

While this guidebook is principally concerned with CMOs, it is important to note that many education reformers believe that EMOs hold real potential for revolutionizing public education. If investors in EMOs are able to deliver consistent student achievement *and* create a profitable investment vehicle, they will have discovered a highly attractive and sustainable model for charter schools specifically and public education generally.

One national brand that has received support from many funders is the **Knowledge Is Power Program (KIPP)**. All KIPP schools subscribe to a set of principles called the “five pillars.” Their leaders undergo a common training program. And KIPP “national” provides individual schools with continuing support, while monitoring whether schools are implementing the five pillars faithfully. But each school operates independently or as part of a regional CMO, like those that have formed in Houston and Washington, D.C.

By autumn 2008, 66 KIPP schools were operating in 19 states and Washington, D.C., serving over 17,000 students. KIPP is in the middle of an ambitious growth plan, with a goal of operating 100 schools—serving 25,000 students nationwide—by autumn 2010. More impressive than the scale, however, is KIPP’s continued ability to demonstrate superior student performance. To take one telling statistic: KIPP’s college matriculation rate is 80 percent, as compared to 20 percent for district public schools with similar demographics.

**Achievement First** is a CMO that operates a growing network of charter schools in Connecticut and New York. Achievement First was founded in 2003 by the leaders of **Amistad Academy**, a nationally acclaimed charter school in New Haven, Connecticut. In Connecticut, Achievement First currently runs five academies (two elementary, two middle, and one high school) under two charters in New Haven; one middle academy in Bridgeport; and two academies (one elementary and one middle) under a single charter in Hartford.

In Brooklyn, Achievement First runs seven academies (four elementary and three middle) under five charters. (Notably, under the leadership of Joel Klein, Chancellor of the New York City

Department of Education, the political climate in New York has been very receptive to charter schools—making replication efforts in Brooklyn easier than in New Haven, where the original school was located.) Altogether, the Achievement First network serves some 2,500 students in grades K-12.

There are many opportunities for funders who want to see strong brands of schools proliferate. Donors can help by providing funds for successful single-site schools to grow to scale. For example, the **UNO Charter School Network** opened its first charter school in 1998. Today, UNO manages eight charter schools in Chicago and one in New Orleans, making it one of the nation's largest Hispanic-based charter managers. Also in Chicago,

**Noble Street Charter School's** first campus, now called Noble Street College Prep, opened in 1999. Since then, Noble Street has added seven campuses—with plans to open two more in 2009 and one more in 2010. In California, **Aspire Public Schools** opened its doors in 1999; by the 2007-08 school year, Aspire was serving a total of over

6,000 K-12 students at 21 locations throughout the state, with plans to open three to four new schools each year. In Philadelphia, **Mastery Charter Schools** opened in September 2001, and has since expanded to four schools. The examples go on, but the point remains the same. Well-designed stand-alone charter schools can, with strategic investment, be replicated and their outstanding results delivered to more and more students.

Donors can also contribute to the growing number of existing networks by providing support to bring one school from a network to a specific community, or helping a community-based CMO grow to scale. For example, a network of major donors contributed to an expansion campaign to replicate additional KIPP and **YES Prep Public Schools** in Houston. Led by the **Michael & Susan Dell Foundation**, the **Bill & Melinda Gates Foundation**, **Houston Endowment Inc.**, the Charter School Growth Fund, Jeff and Wendy Hines, and John and Laura Arnold, these donors hope to grow KIPP and YES Prep to 55 Houston schools serving 30,000 pre-K-12 students within the next 10 years.

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Well-designed stand-alone charter schools can be replicated and their outstanding results delivered to more and more students.

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Similarly, as part of its \$8 million Early Years Initiative, the **CityBridge Foundation** of Washington, D.C., has supported KIPP and **DC Preparatory Academy** with approximately \$3.5 million over five years. The investment aims to create excellence in early childhood schooling throughout the nation's capital. David Bradley, co-founder of CityBridge, built the Advisory Board Company and Corporate Executive Board, two Washington-based consulting companies, and is the owner of the Atlantic Media Company, publisher of several prominent journals, including *The Atlantic*, *National Journal*, *Hotline*, and

*Government Executive*. Katherine Bradley, co-founder and president of CityBridge, believes that charter schools offer the best vehicle for the early childhood initiative. “We decided to do our work through charter schools,” she says, “because the charter space is where we found partners—the charter management

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Funders have increasingly realized the importance of CMOs' internal capacity to replicate schools successfully.

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organizations—that have the capacity to run more than one school, and to grow a great idea to scale.”

As the charter sector has matured and experienced the rise of charter brands, funders have increasingly realized the importance of CMOs' internal capacity to replicate schools successfully. Donors can also support replication of proven charter models by investing directly in the CMOs that support the network of schools. Several funders—including the **NewSchools Venture Fund (NewSchools)**, the **Tiger Foundation**, the Charter School Growth Fund, and the Broad Foundation—have directly supported the “home offices” of CMOs by providing grants that enable them to build their organizations by employing senior staff members, hiring outside experts to help with finance, human resources, business planning, and systems management for data and assessment. Numerous others, including the venture philanthropy funds discussed in the next section, have provided general operating support, as well as business and strategic planning assistance, to several CMOs to develop their internal capacity to undertake replication efforts.

## Contributions to Intermediaries

In addition to directly supporting brands and their schools, donors have also invested in what may be called charter growth “intermediaries.” These organizations provide funding and services to support the growth of high-quality charter schools. In other words, they contribute to scale not by creating more schools of their own, but by providing assistance so that many schools or groups can successfully expand their models. Intermediaries are of increasing interest to many donors, since intermediaries provide donors with a staff of full-time specialists who conduct due diligence, provide expert guidance, and hold grantees accountable.

Two “venture philanthropy funds,” the NewSchools Venture Fund and the Charter School Growth Fund (CSGF), funnel a significant number of philanthropic dollars to new and existing networks of charter schools. Both

work specifically to develop and support promising networks of high-quality charter schools, and apply a rigorous due-diligence process as they select would-be CMOs. Promising candidates receive intensive early-stage support—both financial and strategic planning assistance—and those that make good progress are eligible for larger and larger grants. As CMOs operate more and more schools, NewSchools and CSGF expect that public revenues will replace private philanthropy. But their initial capital aims to make it possible for CMOs to invest in quality and scale from the outset. “Nevertheless,” says NewSchools CEO Ted Mitchell, “we think of our value proposition as not only aggregating funds and providing diligence services, but also as providing first-class management assistance to the CMOs themselves.”

Other intermediaries focus on a specific geographic area. In every state with a charter law, at least one organization has formed to help people in the state start charter schools. While some of these only offer limited support, some have become real “incubators” for new schools, becoming deeply involved with school start-up. **New Schools for New Orleans (NSNO)**, for example, started in New Orleans after Hurricane Katrina. (Please see Chapter VIII: “Big Hopes for the Big Easy.”)

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Donors have also invested in charter-growth “intermediaries,” which provide funding and services to grow the number of high-quality charter schools.

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### **Brands: Supporting Networks of New Schools**

Two venture philanthropy funds, the NewSchools Venture Fund and the Charter School Growth Fund, funnel a significant number of philanthropic dollars to new and existing networks of charter schools.

Since its founding in 1998, NewSchools has focused on identifying and investing in proven educational ventures to accelerate their growth and development. “Like venture capital funds,” says NewSchools’ CEO Ted Mitchell, “we take board seats and become active investors, working with the entrepreneurs we support to build sustainable world-class organizations.” With support from the **Robertson Foundation**, the Broad Foundation, the Walton Family Foundation, and others, NewSchools has made grants to more than 30 school support organizations, human capital providers, and CMOs. Its CMO grantees include:

- Achievement First
- Alliance for College-Ready Public Schools
- Aspire Public Schools
- DC Preparatory Academy
- Education for Change
- Friendship Public Charter Schools
- Green Dot Public Schools
- High Tech High
- Inner City Educational Foundation
- KIPP DC
- Leadership Public Schools
- Lighthouse Academies
- Mastery Charter Schools
- Noble Network of Charter Schools
- Partnerships to Uplift Communities
- Perspectives Charter Schools
- Uncommon Schools

The Charter School Growth Fund was founded in 2005 to support the development and expansion of charter school management and support organizations. Unlike NewSchools, CSGF uses an open admissions process to identify charter management and support organizations that show great potential, but may not ordinarily receive the attention of large funders. With committed capital of more than \$150 million, CSGF expects to create 100,000 new, permanent seats for underserved families in high-quality charter schools by 2015. The CSGF's CMO grantees include:

- Aspire Public Schools
- Bright Star Schools
- Center City Public Charter Schools
- Cesar Chavez School Network
- Chicago International Charter School
- DC Preparatory Academy
- Great Hearts Academies
- IDEA Public Schools
- KIPP: Austin, DC, Delta (Arkansas), North Carolina, Team (Newark)
- LEARN Charter School
- Mastery Learning Institute
- New City Public Schools
- Noble Network of Schools
- Rocketship Education
- Uncommon Schools, Inc.
- YES Prep Public Schools

NewSchools and CSGF are donors in their own right, but they are each fueled by contributions from philanthropists. The Gates Foundation is the largest funder of NewSchools' CMO work. Another major supporter of NewSchools (and of CSGF as well) is the Broad Foundation.

CSGF has received total commitments of more than \$150 million from, among others, the **Lynde and Harry Bradley Foundation**, the **Annie E. Casey Foundation**, the **Daniels Fund**, the **Doris & Donald Fisher Fund**, the **Ewing Marion Kauffman Foundation**, the **Kern Family Foundation**, and the Walton Family Foundation.

Through its incubation program, NSNO recruits and selects education entrepreneurs to launch new, or replicate excellent, schools in New Orleans, and provides extensive financial and operational support to help them prepare for opening day. NSNO provides \$10,000 per month for 10 months to founding leaders, as well as significant technical and networking assistance. The goal of the program is to ensure that new charter schools begin the academic year with well-planned academic programs and competent operational infrastructure in place.

By contributing to organizations that are building brands or enabling many schools to open, funders can boost the future supply of high-quality new schools. Once these new schools are opened, however, they will face the same challenges that faced the first 4,000 charter schools. Those challenges—including personnel, facilities, quality assurance, and policy—are addressed in subsequent chapters.

## Chapter IV: Priming the Human Capital Pipeline

Whether a school is part of a network or a stand-alone charter, the school's teachers and leadership are critical to its success. Yet like many traditional district schools, charter schools face shortages of highly effective teachers and leaders, especially those who are prepared to work in their unique environments. "The problem is severe," explains Chester E. Finn Jr., president of the **Thomas B. Fordham Institute**. "There is a *dire* shortage of quality people, *and* quality human capital development programs, *and* job clearinghouses, *and* advanced professional development opportunities, *and* career paths in the charter sector, *especially* in certain regions of the country (like the Midwest)."

Gretchen Crosby Sims, director of strategic initiatives at the Chicago-based **Joyce Foundation**, agrees. She notes that "charter schools certainly face several disadvantages—in terms of funding and access to facilities, for example—but they also have the great advantage of flexibility to structure their working conditions and support systems for teachers and leaders. As funders, we should focus our work increasingly on encouraging the best human capital providers in education to do more of their work in the charter sector. We can also push the charter sector to more fully exploit its autonomies to make schools more attractive to high-caliber teachers and leaders." Several national initiatives are underway to help recruit, train, and support great leaders and teachers for the next generation of charter schools.

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### Ideas for New Funders

- Pay for a prospective leader of a local charter school to receive training in a national leadership development program.
- Work with a top-tier teacher training program to bring outstanding talent to local charter school classrooms.
- Sponsor a mid-career professional who wants to participate in a residency program with a highly successful charter management organization.

### New School Leaders

Several programs have developed on the local and national levels to address the growing shortage of talented school leaders. **New Leaders for New Schools (NLNS)**, for example, is a national non-profit organization that works to attract, prepare, and support a new generation of outstanding principals. The program combines an intensive summer-training institute focused on management and instructional leadership strategies with a year-long, full-time residency program (patterned after the medical school residency) alongside a successful district or charter school leader. By the end of 2009, New Leaders will have partnered with districts in New York City, New York; Chicago, Illinois; Memphis, Tennessee; Oakland, California; New Orleans, Louisiana; Milwaukee, Wisconsin; Baltimore, Maryland; Washington, D.C.; Prince George's County, Maryland; Charlotte, North Carolina; and Jefferson Parish, Louisiana. Though New Leaders prepares principals for all kinds of urban schools, charter school leadership has always been an important focus of the program. Indeed, while New Leaders principals serve in both charter and traditional district schools, their leaders with the most dramatic student achievement gains are disproportionately located in the charter sector. Many philanthropic organizations, including the Broad Foundation, have contributed to New Leaders and some, including the Joyce Foundation, have directed that some of their dollars specifically go to support charter school leadership.

### **Leveraging Smaller Investments Convening Charter School Leaders**

One of the **Rainwater Charitable Trust's** very best small grants went to convene a cross-sector group of leadership-training programs for principals who want to work in and lead public charter schools. These training programs are committed to improving student achievement for all students. To do that, they are changing the way principals are trained. While principal training is traditionally conducted by universities through master's degree programs in educational leadership, these programs—which include universities, urban school districts, and nonprofit providers (including a CMO)—are committed to transforming the profession of school leadership through rigorous selection, intensive training, and ongoing support of school leaders. For a cost of just under \$50,000, the October 2008 convening allowed these thought leaders to learn from one another by comparing successes and challenges and to advance their collective work. We have since hosted a second convening, as the group insisted on gathering again to continue the sharing and to disseminate their learnings to other groups that may want to develop principal training programs, but which may not have the financial ability to experiment. Group members are now committed to making sure that school leadership remains a critical topic in the national dialogue about education reform.

Kelly Garrett

*Associate director, Rainwater Charitable Trust*

Another is the **Building Excellent Schools (BES) Fellowship**. With the support of the **Hyde Family Foundations**, the Daniels Fund, and the Walton Family Foundation, this year-long leader-training fellowship specifically targets individuals who want to start new charter schools. It provides an intensive two-month institute, assistance in navigating the charter application process, residency at a charter school, and assistance in implementing the charter (or receiving placement at an existing charter school). In 2007, BES had trained new leaders to serve in 23 charter schools across the country.

Many in the charter sector are deeply interested in finding and cultivating school leaders and charter managers from minority backgrounds. To that end, in 2008 the Charter School Growth Fund created and incubated **Partners for Developing Futures**, the goal of which is to dramatically increase the number of high-quality

charter schools led by people of color. The program is a social venture fund that invests in high-potential charter schools and charter school networks that were founded (or are overseen) by a minority leader and that serve students from minority and low-income backgrounds. “We see a great need for more recognition and support for leaders of color who show great potential in the charter sector,” says Howard Fuller, board chair for the **Black Alliance for Educational Options (BAEO)** and a member of Partners’ advisory board. “Partners serves the important dual mission of helping to promote minority leadership while creating additional quality public education options for underserved students.” The program works to identify, recruit, and support leaders of color by providing capital and strategic support early in their development.

The **Mind Trust** is a nonprofit organization based in Indianapolis whose mission is to attract, support, and empower the nation’s most effective and promising education entrepreneurs. It brings these ambi-

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There is a great need for more recognition and support for leaders of color who show great potential in the charter sector.

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tious reformers to Indianapolis, which has historically had difficulty attracting talent, and encourages them to incubate ideas and engage in venture philanthropy. Through its Education Entrepreneur Fellowship, the Mind Trust provides fellows with two years of full-time pay, seed funding, and community partnerships to help them, and those that serve the

charter sector, launch new education initiatives. The Indianapolis-based **Richard M. Fairbanks Foundation, Inc.** provided over \$830,000 in critical start-up funding for the Mind Trust, as well as an additional \$1.5 million for core operational expenses through 2010.

“The foundation frequently provides infrastructure support because so many other funders often prefer to fund programs, especially new programs,” explains Betsy Bikoff, chief grantmaking officer at the Fairbanks Foundation. “Oftentimes, the hardest funds to raise are for general operating expenses. When foundations help cover those costs, it provides the organization with the stability to leverage support from other donors.” What makes the investment so unique is that Fairbanks is not an education funder, per se. Rather, it focuses on health, sustainable employment, and the economic vitality of Indianapolis—and sees charter schools and education reform as important components of its grantmaking.

The **KIPP Fisher Fellowship** provides training for outstanding educators to lead a charter school within the KIPP network. KIPP covers the roughly \$200,000 price-tag for training each Fisher Fellow (including recruitment, selection, staffing, and salary). With support from the Doris & Donald Fisher Fund, the Broad Foundation, and others, the year-long training program offers a residency period in high-performing KIPP schools, as well as intensive coursework at New York University's Steinhardt School of Culture, Education, and Human Development. Through a rigorous evaluation process, KIPP selects less than 7 percent of applicants to participate in the fellowship—all of whom already have several years of teaching experience, with demon-

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The KIPP Fisher Fellowship provides training for outstanding educators to lead a charter school within the KIPP network, covering the roughly \$200,000 price-tag for each new fellow.

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strated results among low-income students. Since 2000, KIPP has trained over 60 principals who have gone on to open new KIPP schools in 17 states and the District of Columbia.

The **Rice Education Entrepreneurship Program (REEP)** offers principal training at Rice University's Jesse H. Jones Graduate School of Management. Uniquely among school leadership training programs, REEP's new model occurs entirely within a business school, rather than at a traditional school of education. The two-year, MBA-granting, principal-training program began in July 2008. During their course of study, participants are expected to work in Houston's public schools by day, taking courses at night and on weekends. REEP offers an intensive educational entrepreneurship curriculum in order for school leaders to envision, build, and effectively lead positive, achievement-oriented education environments. Working in collaboration with **Houston A+ Challenge, YES Prep Public Schools, Teach For America (TFA)**, and KIPP, REEP intends to provide Houston with the school leadership it needs as it attempts to ramp up its charter sector.

A similar program was launched in Chicago in 2008, with aspiring school leaders studying at a top-tier business school in order to learn the skills and habits of effective entrepreneurship. The **Execution in Entrepreneurial Schools Leadership (ExSL) Program** is a partnership between the Kellogg School of

Management at Northwestern University and the **Inner-City Teaching Corps (ICTC)**. ICTC is a Chicago-based nonprofit that offers an array of educational programs for urban youths and families, including the **Volunteer Teaching Corps** (a two-year teaching program for recent college graduates in inner-city Chicago classrooms), **UNITE** (a teacher-training program for mid-career professionals), and the **Alain Locke Charter Academy** (recognized by the Department of Education as one of seven schools in the nation most effective at closing the achievement gap). The brainchild of ICTC founder Patrick G. Ryan Jr.—a former Chicago public school teacher who went on to create Incisent Technologies, the fourth fastest-growing software company in the United States—ExSL intends to provide school leaders with the necessary skills to successfully execute their vision in start-up charter schools.

### Outstanding Teachers

Several organizations have entered the charter field or expanded their mission to help build the pipeline of teachers and ensure that they are prepared to be effective in charter schools. Teach For America (TFA), a national corps of recent college graduates and professionals who commit to teaching for two years in urban and rural public schools, has moved increasingly into the charter realm in the past several years, thanks largely to philanthropic support from the Fisher Fund. TFA's work in New Orleans is one recent example. Though the organization sponsored corps members in New Orleans

before Hurricane Katrina, after the storm it increased its recruitment efforts with support from many donors, including the Broad Foundation and the **Greater New Orleans Foundation**. There is an urgent need for talented new teachers in New Orleans public schools—most of which are charter schools. These funders have also supported **TeachNOLA**, a cooperative effort by **The New Teacher**

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A problem facing American public education generally—and the charter sector specifically—is retaining top-tier talent in challenging academic environments.

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**Project (TNTP)**, New Schools for New Orleans, and the state Recovery School District to recruit, train, and certify teachers in New Orleans Public Schools. (Please see Chapter VIII: “Big Hopes for the Big Easy.”)

The New Teacher Project has also increased its charter school involvement in recent years. TNTP's main focus is to assist urban school districts across the country with growing the number of talented public school teachers and creating environments for them to succeed. TNTP has also partnered with several CMOs in California to help them recruit teachers. As a result, in the coming years TNTP plans to expand its placements in the charter sector through its regional hiring center model.

### **Leveraging Smaller Investments Turning ESL Parents into Tutors**

A small-scale, high-impact charter-sector grant that we're particularly proud of is our investment in the Home Language Program at **Lighthouse Community Charter School**. For about \$50,000 per year, we are able to help fund this bilingual after-school program and engage some of the school's parents as tutors. Crucially, the tutors teach in the language spoken in the students' homes, in order to help them better understand the content that is taught to them in English throughout the regular school day. Because Lighthouse serves a population that includes about 80 percent English language learners, we found that the students needed a program that would help them understand classroom content in their native language. It has worked very well for our students, not only in strengthening their content knowledge, but also in strengthening their mastery of their native language. The program has become a model for other schools in the district, and has helped some of the Lighthouse parents get jobs and begin the process of becoming teachers themselves.

Brian Rogers

*Executive director, Rogers Family Foundation*

A problem facing American public education generally—and the charter sector specifically—is retaining top-tier talent in challenging academic environments. As many as 70 percent of teachers in low-income communities leave within five years of entering the profession, with effective educators frequently being among the first to go. Research indicates that working conditions are the primary driver in a teacher's decision to stay at or leave a school; the demanding work conditions at low-income schools wear down even the most committed teachers. One group working to address the problem is **Resources for Indispensable Schools and Educators (RISE)**. RISE provides professional support to teachers in its network—now

consisting of over 60 partner schools in San Francisco, Los Angeles, New York, and Chicago—including job placement into other high-needs schools with better work conditions. RISE believes that improved retention of effective teachers, combined with improved recruitment of effective teachers, will yield a dramatic increase in student learning at RISE partner schools.

Several charter school networks have also started up their own graduate schools of education to prepare new teachers to work in charter schools. These charter-focused programs employ a training

model that focuses heavily on classroom experience, requiring candidates to work in local charter schools while earning their degrees. And they help meet a need that many charter networks have not found in nearby traditional teacher preparation programs—rigorous training that focuses entirely on demonstrable improvements in student academic performance.

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Teacher U links the teaching degree to actual student achievement. All candidates must demonstrate value-added gains in the classroom before receiving their degrees.

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With support from Larry and Amy

Robbins and the **Robin Hood Foundation**, for example, a group of CMOs in New York—including KIPP, Achievement First, and **Uncommon Schools**—are working together with Hunter College in New York City to design a new masters' program for teacher preparation. With \$10 million from the Robbins family and an additional \$20 million from Robin Hood, the school will have funds to help cover the first 10 years of the program. The two-year course of study will include classes delivered by teachers and leaders from the partners' charter schools, as well as Hunter professors, following an approach based largely on the combined best practices in Achievement First, KIPP, and Uncommon Schools. Unlike more traditional programs, **Teacher U** links the teaching degree to actual student achievement. All candidates must demonstrate real value-added gains in the classroom before receiving their degrees. The partnership uses Hunter's existing license from the state to certify teachers, the first 40 of which began training in July 2007.

Another charter school network, **High Tech High**, has taken this idea a step further, opening its own state-approved graduate school of education in September 2007 in San Diego, California. "California needs an estimated 3,300 new math and science teachers each year,"

points out Larry Rosenstock, founder and CEO of High Tech High. “The massive University of California system credentials 210 new math and science teacher per year. By the spring of 2009, the High Tech High Graduate School of Education will have credentialed 37 new math and science teachers, and by the Spring of 2010, will have credentialed 56 new math and science teachers.” The program offers a master’s degree in education with two concentrations: school leadership, for individuals who wish to lead a small innovative school, and teacher leadership, for experienced teachers who want to deepen their practice and broaden their leadership capacity. Tuition is subsidized

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Several charter networks have also started up their own graduate schools of education to prepare new teachers to work in charter schools.

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for graduate students, who learn and work alongside teachers and administrators in the High Tech High network of schools. Just over \$3 million in initial support for development of the program was provided by the **Amar Foundation**, the **Ronald Simon Family Foundation**, and the **James Irvine Foundation**.

Similarly, the Fisher Fund has invested in an alternative certification program at Alliant International University in California. California law allows teacher candidates to “challenge” traditional teacher preparation course work by passing the Teaching Foundations Exam (TFE), and then successfully completing a classroom teaching-performance assessment. Although the fast-track test was passed in 2001, only one university has implemented the program—Alliant International University, which has created the **Early Completion Option (ECO) Program**. The Fisher Fund provided crucial funding for its design and implementation. “Too few schools of education are willing to think outside the box,” says Christopher Nelson, managing director of the fund. “We found one in California: Alliant University. Alliant is very willing to serve the charter sector—and think creatively.” Alliant’s ECO Program enables qualified candidates (i.e., those who have passed the TFE) to enter the classroom as paid teachers, bypassing most of the traditionally required education coursework. They benefit from an intensive mentoring support system—and receive a credential within nine months.

The **Harmony Schools** in Texas have likewise worked creatively to undertake innovative practices that address the quality of their teaching force, particularly in math and science. The 22 charter

schools in the Harmony network embrace a college-preparatory focus with a strong emphasis on mathematics, science, and computer applications. With support from the **Cosmos Foundation, Inc.**, Harmony bypasses the challenge of finding exceptionally well-qualified teachers—those with deep content knowledge in math and science—by recruiting talented instructors from overseas, helping them secure work papers, and bringing them to Texas to work in Harmony’s charter school network.

### Expert’s Perspective

#### Needed: School Models for Mere Mortals

There is a major blind spot in most discussions of human capital for the charter school sector. Yes, we need lots more great teachers in order to keep charter networks like KIPP growing. But that’s partly because KIPP’s model requires superstar teachers willing to work 80 hours per week—a scarce commodity. What we also need to invest in are school models that work with mere mortals. Then the teacher pipeline challenge wouldn’t be so tough.

Michael J. Petrilli

*Vice president for national programs and policy,  
Thomas B. Fordham Institute*

### Other Human Capital Needs

As the charter sector has matured and seen a significant increase in the number of charter management organizations, funders have increasingly realized the importance of CMOs’ internal capacity to replicate their own schools successfully. Many teachers and former school leaders move up to serve in leadership positions in national and regional CMO “home offices,” but as the sector grows it has become more difficult to fill these leadership positions with skilled candidates. “We hear repeatedly that the deepest human capital needs in the charter sector extend beyond teachers and leaders, and into the world of operations—particularly for CMOs,” says Jim Blew, director of K-12 education reform for the Walton Family Foundation. “We see a great need for more talent at this level.” Several foundations are working to support, develop, and foster new and talented leaders within this top tier of the human capital pipeline.

For example, the Broad Foundation sponsors the **Broad Residency in Urban Education**. The Broad Residency is a management development program that places talented early career

executives from the private and civic sectors into two-year, full-time, paid positions at the top levels of urban school systems across the country. Broad Residents, who have top business, public policy, and law school degrees, work to improve management practices of urban education systems so that critical resources can be pushed down to the classroom. During their two-year residency, participants receive intensive professional development and access to a nationwide network of education leaders. Current and former Broad Residents today work in 29 urban school systems nationwide—and 9 out of 10 graduates remain in urban education.

Through its **Leadership Engagement Program**, the Charter School Growth Fund also works to develop and network “C-level” managers (e.g., CEO, COO, CFO) in CMOs and business professionals who are interested in CMO work and could become future board members or C-level hires. The CSGF sponsors regular meetings for these professionals to network and attend educational programs, as well as a planned national gathering annually. While different in approach, NewSchools Venture Fund has incubated a new search firm, **Connect the Dots**, likewise aimed at this niche. Connect the Dots has successfully completed a half-dozen searches nationwide.

With support from the Michael & Susan Dell Foundation, the Broad Foundation and others, **Education Pioneers** operates a summer fellowship program for graduate students who wish to pursue leadership positions in education. Fellows have trained through several CMOs, including **Green Dot Public Schools**, **Victory Schools**, Achievement First, Aspire Public Schools, KIPP, and Uncommon Schools.

There is an additional human capital need that, while being addressed at the local level, will require additional support to reach the necessary scale nationally. Several organizations focus specifically on recruiting and training charter school staff positions, but very few offer specialized recruitment and training for charter school board members. (Please see Chapter V: “Board Development.”) These are crucial leadership roles, and the charter sector should support a large—perhaps national—effort to find and cultivate first-rate board members.

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We hear repeatedly that the deepest human capital needs in the charter sector extend beyond teachers and leaders, and into the world of operations.

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### **New Thinking about Labor-Management Relations**

Since the beginning of the charter school movement, teachers' unions and charter advocates have found little common ground. Many observers have characterized charter schools as a direct threat to unions, because most charters do not collectively bargain with their teachers. Teachers' unions have worked to block or repeal charter laws, or to limit the number and growth of charter schools. Some funders believe that there is no place for teachers' unions in charter schools—that they have the potential to limit the freedoms that are the essence of the charter ideal. Others, however, believe that charter

autonomy extends to decisions about whether or not teachers are unionized and what their contracts should entail. Amid this continuing debate, the sector has recently seen a handful of experiments across the country that suggest the two groups might possibly work together—perhaps in ways that hold lessons for the wider world of collective bargaining in public education.

Green Dot Public Schools is a network of charter schools in Los Angeles, California. As of early 2009, Green Dot operates 18 high-

performing charter high schools in Los Angeles, serving children in neighborhoods where the traditional public schools are overcrowded and underperforming. Green Dot's teachers are unionized members of the Asociación de Maestros Unidos, an affiliate of the California Teachers Association and the National Education Association. The Green Dot union offers teachers a streamlined contract that includes several job protections, such as the right to due process before dismissal, but without many of the work rule restrictions that make it difficult to pursue good school practices in the traditional public school setting.

In the fall of 2008, Green Dot partnered with the United Federation of Teachers (UFT) in New York to open a charter school in the South Bronx. The school's teachers work under a labor agreement similar to the one Green Dot has with its teachers in Los Angeles. This school joins two others in New York City already founded by the UFT and staffed by UFT members. With support

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A handful of experiments suggest that teachers' unions and charter schools might possibly work together—perhaps in ways that hold lessons for the wider world of collective bargaining in public education.

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from the Broad Foundation, the UFT charter elementary school opened in 2005, and the UFT charter high school in 2006.

For all of these promising signs, funders should be under no illusions about teachers' unions. The nation's two largest teachers' unions, the National Education Association and the American Federation of Teachers, have traditionally viewed charter schools as a direct challenge to their members. Indeed, some union officials believe the charter sector to be perhaps the greatest threat they face. Thus state affiliates of these organizations have opposed many of the laws authorizing the establishment of charter schools. Many state affiliates have sought to weaken charter school autonomy as much as possible while limiting funds available for the charter sector. One prominent donor in the field went so far as to describe teachers' unions as the charter sector's "enemy number one."

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## Chapter V: Addressing Critical Operational Challenges

A hallmark of the charter school idea is autonomy. Operating with independence from state and district bureaucracies, a charter school is able to forge a coherent mission and to align all of the school's activities with that purpose. But autonomy comes at a price. The more independently a charter school operates, the more it is cut off from the supports offered by an established educational system. For district schools, having a facility is a given. Back office services like financial accounting and human resources are handled by the central office—though often ineffectively. Governance is likewise taken care of, through the district's board of education.

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Charter autonomy creates operational challenges that hamper the ability of charter schools to function as effectively as they otherwise could.

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Few charter schools would trade their freedom to obtain these services. The lack of support, however, creates operational challenges that hamper the ability of charter schools to function as effectively as they otherwise could. Consider:

- Most charter schools spend some portion of their operating funds on facilities. (According to Ted Mitchell, CEO of NewSchools Venture Fund, CMOs in the NewSchools portfolio spend an average of 13 percent of their revenues on facilities.) That's money schools could use for instruction.
- Charter school leaders spend an extraordinary amount of time dealing with “back office” issues, from transportation to financial reporting to building maintenance.
- Special education requirements apply to charter schools, as they do to all public schools, pulling charters into the expensive and complex regulatory world related to children with disabilities.

- Charter governing boards are the legal entities responsible for the school, yet many charter boards lack the expertise or training to provide effective governance.

Though the support organizations available to address these challenges have improved significantly in the past several years, these issues continue to divert the attention of charter school leaders from their most important work: educating students. While these concerns may initially appear tangential to a school’s educational mission, they can nevertheless have a tremendous impact on teaching and learning.

These barriers also discourage potential K-12 entrepreneurs from stepping into the charter arena. They make the prospect of operating charter schools less attractive, a disincentive which applies not only to individuals and grassroots groups who want to start stand-alone schools, but also to charter school networks. For many organizations with the potential to scale-up a network of high-performing schools, these operational obstacles tip the scales against growth and expansion.

By addressing operational challenges, donors can achieve twin purposes: improving the effectiveness of existing schools and helping to prime the supply pump.

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Operational challenges divert the attention of charter school leaders from their most important work: educating students.

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Funders have sought to address the whole range of operational challenges in their states by funding general-purpose charter school “resource centers” or member associations. (Please see Chapter I: “For National and State-by-state Charter Information.”) “We support several state charter associations, because

they help create an environment that leads to high-quality chartering—in terms of regulatory and legislative environments—but also by directly helping schools with everything from governance to business planning,” explains Jim Blew, director of K-12 education reform for the Walton Family Foundation. These charter support organizations often provide individualized technical assistance by answering specific questions or connecting a school with resources on a range of issues (e.g., facilities, accounting, legal compliance, professional development, and assessment). They also offer generally available newsletters, websites, publications, workshops, and conferences, as well as advocate for more charter-friendly public policies.

### **Ideas for New Funders**

- Join forces with other donors to create a loan guarantee pool for facilities—either for construction or renovation—at local charter schools.
- Fund a pilot program that provides critical back office services to a range of stand-alone charter schools in the area.
- Contribute to cooperative projects to make charter schools more attentive to the needs of special education populations.
- Develop or support a leadership training program for board members at local charter schools.
- Provide general operating support for excellent local charter schools.

In addition, donors have zeroed in on specific challenges, seeking to build an infrastructure of support for charter schools in the areas of facilities, back office services, and special education.

### **Facilities Financing and Development**

Financing facilities regularly tops the list of tough issues facing charter schools. Real estate is expensive to begin with, let alone the costs of refitting a building for use as a school. Affordable financing is often hard to secure. Because charter schools can go out of business or be shut down for poor performance, lenders and investors often see them as a risky investment. Exacerbating the perceived risk is the fact that charter schools are often start-ups, run by people with little experience in real estate. Financiers charge a premium to cover these perceived risks, and charter schools end up paying more for financing than do regular school districts.

There is a measure of truth to these perceived risks. A charter school, like any small start-up, can fail. The subsequent closure of these schools is one of the strongest aspects of the charter accountability bargain. But starting a new charter school is not the uncharted territory it once was: many applicants, donors, and charter authorizers have become more sophisticated about the critical elements of a successful start-up. In addition, the facilities risks create a circular dilemma for many new charter schools. As a 2005 study commissioned by the Ewing Marion Kauffman Foundation puts it, “Securing a long-term lease or mortgage helps a charter school to stabilize, attract students, and survive—but it cannot strike such a deal because of concerns that they won’t survive.”

The facility-financing sector for charter schools has improved in recent years. In large part, this welcome development is due to support from the U.S. Department of Education and its **Credit Enhancement Program**, which funds nonprofits to develop facilities financing initiatives. A 2007 report from the **Local Initiatives Support Corporation** surveyed 25 private nonprofit organizations that provide facilities financing to charter schools, and found that they had together contributed over \$600 million in direct financial support. Despite these programs, however, obtaining facilities and access to financing remains difficult, especially for small charter schools and those in the first years of development.

Many argue that the long-term solution to the facilities challenge lies in changing public policy to place charter schools on more equal footing with traditional district schools, a subject taken up in a later section. (Please see Chapter VII: “Forging Charter-friendly Public Policies.”) But, absent those changes, what can donors do to help? Two broad strategies have emerged:

- **Support for Individual School Facilities:** This assistance may take the form of a donated facility—perhaps the most direct form of assistance. But it may also be a lease of a building for low cost, or direct grants to a school’s capital campaign.

These direct investments may also take the form of loans or loan guarantees. To make charter schools a more attractive investment for lenders and investors, several donors use foundation funds as a “guarantee,” backing up one or more charter schools’ debts. By placing funds into a reserve account or simply signing a guarantee letter, funders can provide lenders with a degree of security—if a school cannot repay its debt, the donor’s funds are available to make payments. This kind of assistance is known as “credit enhancement” because it boosts a school’s standing in the financial marketplace. Foundations have sometimes used grant funds to set up these guarantees. Another increasingly common option is to use a “program-related investment” or PRI.

### **Program-related Investments**

Most foundations disburse a relatively small proportion of their funds each year, leaving their endowments largely intact, if not growing. Program-related investments (PRIs) provide a way for foundations to put that corpus of funds to work. Unlike grants, PRIs are investments made with the expectation that the capital will return to the foundation within an established time frame. PRIs include financing methods commonly associated with banks or other private investors, such as loans or loan guarantees. Funders in the charter sector have found them a particularly appropriate form of assistance when the grantee has the potential for generating income that would allow them to repay the donor's initial investment.

“The charter sector cannot continue to expect philanthropy to provide the entire amount of capital required to grow these expanding charter networks to scale,” explains John Lock, CEO and president of the Charter School Growth Fund. “If we instead use loans that will eventually be repaid and can be given to someone else, we can build long-term sustainability from both a philanthropic and an organizational perspective.”

Another option for those who want to assist with individual school facilities is the arrangement of shared-facilities agreements between district and charter schools. As charter schools across the country clamor for affordable school space, several districts are simultaneously facing declining enrollment and underused school buildings. Where local leaders are able to overcome the divide between charter and district schools, the charter sector has seen several examples of shared facilities between charter- and district-run schools.

### **Charter Schools as a District Strategy**

In too many places, existing school districts have hindered the introduction of charter schools. Some district leaders, however, have begun to think differently about the potential of chartering as a *district* strategy for improving education. These leaders realize that chartering can play an important role in overall school improvement. And donors are beginning to back some of their pioneering efforts.

Some districts are working with charter school networks to allow them to take over the operations of underperforming district schools by converting them to charter status. One advantage of this

arrangement is that it typically allows the charter school to use the district facility. Mastery Charter Schools, for example, is a local network of charter schools in Philadelphia that works to convert low-performing district schools into charter schools. Mastery's arrangement with the district works this way: to upgrade the district's facility to meet its needs, Mastery obtains its own construction loan from **The Reinvestment Fund (TRF)**, a community investment group based in the Mid-Atlantic region that has funded (among other things) over 24,600 charter school slots. Mastery itself then contracts for the improvements. Because there are fewer restrictions on Mastery's contract than on the district's, Mastery is able to get the same work accomplished for less money. Then the district buys the improvements back from the school and gives Mastery a long-term lease for the facility. This strategy allows Mastery to obtain a custom facility at very low cost—and keeps valuable public facilities from going to waste.

Other districts are engaging in facilities-sharing arrangements in part to foster sharing of best practices between charter schools and district schools. One such example comes from Houston, Texas, where a charter school in the YES Prep network is sharing space with Lee High, a district-run school. (It helps, notes Larry Faulkner, president of Houston Endowment Inc., that in Houston there is “such a healthy relationship between the district and the leading charter schools.”) The initiative is supported in part by the Michael & Susan Dell Foundation, which funded a consultant to help work out the details of the co-location before the school opened in 2007, and is providing operational support for the first three years. In 2008, with support from the Thomas B. Fordham Foundation and a coalition of more than 30 local businesses, a KIPP school in Columbus, Ohio, began leasing facilities from the Columbus Public Schools. The new campus occupies a recently closed district-run school. In exchange for the space, the district will be able to incorporate KIPP students' achievement scores in its overall accountability ratings—“a carrot,” says Terry Ryan of Fordham, “for the district to partner with KIPP.”

Districts like New York, Chicago, and Philadelphia have also turned to new charter school creation as a way to diversify their portfolio of reform strategies, so that they are not exclusively invested in efforts to fix their existing schools. New York City, for example,

has attracted tens of millions of private dollars to match the considerable public resources the city has pledged for new charter schools through such vehicles as the New Century High Schools Initiative, managed by the nonprofit **New Visions for Public Schools**. Many charter school advocates advise caution when it comes to district-led chartering, because limits on the independence of charter schools can undermine their promise. But in districts where the leadership is committed to chartering truly independent schools, funders have begun to test the waters.

- Support through an intermediary that specializes in facilities financing or development for charter schools. These intermediaries specialize in providing financing directly to charter schools or helping them obtain financing. Organizations have sprung up around the country to provide facilities financing assistance, many with significant philanthropic funding. Several have also received grants through the U.S. Department of Education's Credit Enhancement Program, including:
  - The Reinvestment Fund
  - The Housing Partnership Network, Inc.
  - Illinois Facilities Fund
  - Low Income Investment Fund
  - Center for Community Self-Help
  - Charter Schools Development Corporation
  - Community Loan Fund of New Jersey, Inc.
  - Raza Development Fund
  - Local Initiatives Support Corporation

Another type of facilities assistance comes through "development" intermediaries, which find, renovate, and lease buildings to charter schools. This type of intermediary is similarly able to secure better financing terms than a new charter school could. More to the point, it also takes on the facilities burden, freeing up the school's staff and board to focus on educating students. Examples of this type of intermediary organization include **Civic Builders** in New York and **Pacific Charter School Development** in California.

*(Please see the sidebar titled "Bricks and Mortar.")*

### Bricks and Mortar

Several donors have explored ways to use foundation resources to mitigate the risk of lending to or investing in charter schools. Here are four examples.

With support from **Prudential Financial** and the Walton Family Foundation, the Local Initiatives Support Corporation (LISC) provides facilities financing for individual charter schools throughout the country. And through its Educational Facilities Loan & Guaranty Fund, the Educational Facilities Financing Center at LISC works to develop and expand local educational facilities funds across the country. Walton's funding has taken the form of both program-related investments and grant money for operations. LISC has invested in local funds in Indianapolis, Los Angeles, Massachusetts, upstate New York, and southwestern Pennsylvania, along with the national network of KIPP schools.

In Indianapolis, LISC has partnered with the city government and the Annie E. Casey Foundation to make up to \$20 million in loans available to qualified charter schools through a recently formed Charter Schools Facilities Fund. Charter schools can borrow tax-exempt debt for the acquisition, construction, renovation, and leasehold improvements of their facilities, and will pay lower rates on the loans because of the city's backing and \$2 million in guarantees provided by AECF and LISC.

**Building Hope**, a nonprofit intermediary based in Washington, D.C., likewise offers facilities assistance to charter schools. With support from the **Sallie Mae Fund** and the Walton Family Foundation, Building Hope makes below-market loans to charter schools for facilities acquisitions and improvements, and provides loan and lease guarantees to help charter schools acquire, construct, or renovate school facilities. Since its inception in 2003, the organization has provided 15 loan- and lease-guarantees worth

### Back Office Services

Teaching and learning take center stage in schools. Behind the scenes, however, back office activities are essential to make the teaching and learning operation run smoothly. Financial management—accounting, payroll, reporting, and the like—is one important back office component. Other components include information management, food service, and transportation. Charter schools either have to provide these services themselves or find outside ven-

more than \$9 million, which have enabled financial transactions worth over \$100 million.

The Charter School Growth Fund has also assembled a fund, the CSGF Revolving Facilities Loan Fund LLC, to offer its CMO grantees short- and medium-term financing for facilities, allowing them to grow their networks of schools without scrambling every time they want to acquire a new property. This fund combines PRIs from foundations with funding from more traditional lenders like CitiBank. Once the networks have a record of achievement and stability, CSGF will assist its grantees in finding more permanent financing, such as bonds or traditional loans, which will allow them to pay off their CSGF loans. Those funds will then be recycled back to the CSGF, to be used for another CMO. “We expect that our loans will all be repaid to us so that we can redirect those funds toward an investment in another organization,” says John Lock, CEO of CSGF. “I believe this is the best way to support long-term sustainability from both an organizational and philanthropic perspective. It also enables us to offer organizations in our portfolio the opportunity, once they have paid back the loan, to provide funds in the next round—a pay-it-forward approach.”

Civic Builders, a nonprofit facilities developer based in New York City, serves the “development” intermediary role in the charter schools facilities challenge. While most intermediaries provide or guarantee loans for charter schools to make financing more affordable, Civic Builders finds, purchases, and refurbishes buildings, and then leases them at affordable rates to charter schools. With support from NewSchools Venture Fund, the Bill & Melinda Gates Foundation, the Michael & Susan Dell Foundation, and the Annie E. Casey Foundation, Civic Builders allows charter schools to focus on improving their academic programs rather than on navigating the New York City real estate market.

dors. “Doing it yourself” saps valuable time and energy, while the market for vendors is highly fragmented and often unreliable, leaving charter school leaders with no easy solution.

Funders across the country have used a couple of strategies to resolve these operations challenges. Several provide direct support to schools themselves, offering technical assistance and training in areas where they see grantees across the board needing help. The New York City-based Tiger Foundation, for example, found that sev-

eral of their grantees struggled with finances and allocating costs across multiple program areas. “This became especially critical following September 11th when many agencies were hit hard by funding cuts and needed to think strategically about how to manage their agencies through difficult times,” says Phoebe Boyer, executive director of the Tiger Foundation. “As a result, we organized a grantee-wide technical assistance initiative around financial management, with targeted one-on-one follow up.”

For the most part, Tiger subsidized this technical assistance, according to a case study of the initiative by the Bridgespan Group, though it did require grantees to contribute a portion of the costs to ensure that the services were valued. The Michael & Susan Dell Foundation, too, works with its CMO grantees to help them develop mission-specific goals for the central office and individual schools. Through performance-management grants, the foundation helps its grantees develop processes that allow them to track their progress toward those goals.

Another route is to fund local or regional charter support organizations that specialize in providing services to charter schools.

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Through performance-management grants, foundations help grantees develop processes that allow them to track progress toward their goals.

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Some of these, like the **New York City Center for Charter School Excellence**, provide assistance to charter schools across a wide variety of topics. The NYC Center was launched in 2004 with support from a group of foundations—including the **Pumpkin Foundation**, the **Clark Foundation**, the Robertson Foundation, and the Robin Hood Foundation—and with the backing of Joel Klein, chancellor of the New

York City school system. “We started the program to stimulate the supply of high-quality charter schools in New York City, and to help them come together to negotiate for their best interests,” explains Phoebe Boyer. The NYC Center provides charter schools with support in leadership development, data management, facilities, and operations.

Several funders have also supported the California Charter Schools Association (CCSA), a membership and professional organization that provides a wide range of services to charter schools across California. The CCSA’s services include start-up assistance,

leadership training, insurance policies, and a vendor network—all to allow schools to focus on their mission. New Schools for New Orleans serves a similar role for all charter schools in the city. (Please see Chapter VIII: “Big Hopes for the Big Easy.”) Similar associations and resource centers exist for charter schools in almost every state, though not all are currently offering services as thorough and wide-ranging as California’s. The **Marcus Foundation**, for instance, has supported the **Georgia Charter Schools Association**. The Kauffman Foundation has supported the **Missouri Charter Public School Association**. Many more examples could be added.

Other charter support organizations specialize in providing schools with particular types of assistance. The **Innovative Schools Development Corporation (ISDC)**, for example, provides facilities planning and financing, operations and financial management, and information on best practices for charter schools in Delaware. ISDC

was initially funded in 2002 by the **Rodel Foundation of Delaware** but has grown to become nearly self-sufficient financially based on the fees it collects from schools. ISDC plans to begin to partner with surrounding states on how to help turn around failing schools with the hope of expanding its market to include district as well as charter schools.

Incorporated in 1999, **ExED** is a nonprofit that aims to create efficiencies for charter schools that result in more money reaching the classroom and, ultimately, students. Thanks to support from (among others) the **Ahmanson Foundation**, the **California Community Foundation**, the **Riordan Foundation**, the **Weingart Foundation**, and the Broad Foundation, ExED’s clients never pay more than 5 percent of their public revenues for services, which include payroll and employee benefit processing, accounting, fiscal reporting, and audit preparation. Through its client charter schools, ExED has served over 15,000 students, approximately 70 percent of whom are eligible for free or reduced-price lunch and about 30 percent of whom are classified as English language learners.

In addition to catalyzing such administrative services, donors have also helped charter schools provide or broker various kinds of

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Donors have helped charter schools provide assistance to their students beyond the normal scope of “school,” such as health, counseling, and other social services.

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assistance to their students and families beyond the normal scope of “school,” such as health, counseling, and other social services. The Richard M. Fairbanks Foundation, for example, has supported the work of **Learning Well**, a local nonprofit that places a nurse in many of the schools in Indianapolis. Fairbanks has contributed over \$2 million since 2005 to fund these nursing positions and school-based clinics in all the charter schools across the city.

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One crucial area where many startup and stand-alone schools need help is legal services.

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One crucial area where many startup and stand-alone schools need help is legal services. “Charters always need legal advice and capacity on a range of issues,” notes Christopher Nelson, managing director of the Doris & Donald Fisher Fund. “This is an area where philanthropy can make a big difference.” To that end, the **Atlantic Legal Foundation** is a nonprofit

legal group that (among other things) advises, educates, and represents charter schools. The foundation’s charter school advocacy program publishes a series of state-specific legal guides, written by nationally known labor law attorneys, to educate charter school leaders about what they must know regarding unionization efforts. It represents charter schools in court, free of charge, often as a “friend of the court,” focusing on broad policy concerns that have not been developed adequately by plaintiffs and defendants. And it offers legal advice, at reduced rates or at no charge, to charter school leaders, while linking charter schools with private-sector lawyers ready and willing to provide representation.

Though back office services are often provided locally, some entrepreneurs have been asking if such services could be provided via the internet across a state, or even nationally. For now, local experiments are on the frontlines of the back office services challenge.

### Special Education

As public schools, charter schools must be open to all comers, including students with disabilities. Many charter schools were explicitly formed to educate students with special needs; others have found that large numbers of children with disabilities seek them out because of dissatisfaction with existing district schools. On top of the educational complexities of meeting a variety of student needs, special education also demands an intense focus on compliance with

the dense thicket of relevant federal and state laws. Costs can be high and legal risks great—but the rewards can be great, too, and both the need and opportunity are real. “We need a much greater investment in helping charter schools figure out how to better serve students with special needs,” says Leslie Jacobs, former member of the Louisiana state board of education and an ardent supporter of charter schools in New Orleans. “If we truly want charter schools to offer a better educational option for all students, this is a critical element.”

One way donors have addressed this challenge is by helping schools form special education cooperatives in which they join forces to ensure that they are providing a quality education to students with disabilities and complying with all applicable requirements. The Annie E.

Casey Foundation, for example, provided early funding for the **District of Columbia Charter School Special Education Cooperative**. Through the cooperative, schools have access to special-education-related professional development and technical assistance, and can share staff and enter into favorable arrangements with special education contractors. They are also in the process of working together to develop a system through which schools can obtain reimbursement for significant costs through Medicaid.

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Charter school boards require a diverse pool of talent and experience—talent and experience that is, alas, often difficult to come by.

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### Board Development

Charter schools require a broad array of skills to operate successfully, so it is no surprise that the charter school boards who oversee their operations also require a diverse pool of talent and experience—talent and experience that is, alas, often difficult to come by. Boards are often dominated by one particular group—for instance, educators, business leaders, or the initial founders—that may lack the comprehensive vision to guide schools. Additionally, board members do not always fully understand the boundaries and responsibilities of boards. They require assistance and training on how to identify and recruit school leaders, frame a school’s approach to accountability, and chart a course without micromanaging. Boards that contract with management organizations also need training on how to ensure that the school’s best interests are served in any management agreement they enter.

One group of funders has addressed these challenges by giving potential board members “hands-on” experience. At the **Brighter Choice Charter Schools** in Albany, New York, incoming board members receive training in preparation for their service on other charter school boards. Other nonprofits have provided less direct support to a wider audience in the form of written guides for board members.

### Leveraging Smaller Investments

#### Remembering the Basics: General Operating Support

More important than the amount of any one particular program grant is its format. Some of the **Charles Hayden Foundation’s** most successful grants have been capital and general operating grants. Those two forms of funding are always the most difficult to come by, especially general operating. Foundations have historically been reluctant to dedicate money to general operating, yet it’s precisely what supports the infrastructure of the charter management organization or stand-alone school. When we ask our charter grantees about the funding, they always mention how much they appreciate our general operating funds. In fact, I think general operations grants are even more important than capital grants, especially as other sources for capital grants have entered the stage since we started funding charter schools.

Carol Van Atten

*Vice president of programs, Charles Hayden Foundation*

The schools use our money for a variety of purposes—it varies year to year—from plugging holes to the cost of construction. Plugging holes is important!

Kenneth Merin

*President, Charles Hayden Foundation*

All of these developments in the infrastructure of charter schooling have the potential to help schools meet their operational challenges. But, for these services to work, charter schools need to seek them out. Whether they do so or not depends in part on the degree to which the schools’ environment demands quality. Creating that kind of environment is the fourth strategic priority for building a strong charter sector in the United States.

## Chapter VI: Defining and Improving Quality

In theory, the charter environment drives its schools toward quality. Charter school authorizers—the agencies that grant charters and hold schools accountable—are responsible for screening out poorly prepared applicants, overseeing schools, and closing down those that do not measure up. Families, now able to vote with their feet, are empowered to demand excellence from the schools their children attend.

After nearly two decades, however, experience has shown that these safeguards are not sufficient to ensure consistent quality. Charter schools can fail, and some have failed their students, and the response can be, and often has been, inadequate. Nearly everyone in the charter school sector realizes that there needs to be much more attention paid to quality. As Janet Mountain, executive director of the Michael & Susan Dell Foundation, has explained, “The success of the charter school sector is at risk of being diverted by the ‘break-the-monopoly-at-all-costs’ mentality. If we pursue growth and scale in the same old ways, it will inevitably result in similar sclerosis, bureaucracy, and declining academic results. Holding high standards will be essential to achieving success as charter schools grow to scale.”

### **Ideas for New Funders**

- Provide funding for a new charter authorizer to establish the systems needed to choose quality applicants and hold schools accountable.
- Help a group of local charter schools purchase (and get training for) software programs that collect and analyze data on their student achievement outcomes.
- Support a study comparing the learning results of local charter schools with similar district schools in the community, in the state, and across the country.

Part of this task involves improving the quality of authorizing. Funders can also help directly by establishing measures and standards of quality for their own school and CMO grantees. Philanthropy can highlight the charter schools that are achieving outstanding results. At the same time, philanthropy can invest in the collection and dissemination of research on charter schools to call attention to the schools that are not fulfilling their potential.

### Improved Authorizing

Every state's charter law anoints one or more bodies to serve as charter school authorizers. Depending on state law, authorizers may be local boards of education, state boards of education, university boards of trustees, mayors, city councils, nonprofit organizations, or special-purpose entities created specifically for this purpose.

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“The Achilles Heel of the charter sector has been governance,” says Jim Shelton.

“The sector as a whole has been too soft on getting rid of low-performers.”

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When authorizers do their jobs well, they contribute to quality in the charter sector on the front end (allowing only qualified applicants to open schools) and the back end (taking action when

schools perform badly). When they do their jobs poorly, quality suffers. According to James Shelton III, former program director for education at the Bill & Melinda Gates Foundation (and current Assistant Deputy Secretary for Innovation and Improvement at the U.S. Department of Education), “The Achilles Heel of the charter school movement has been governance. The charter sector as a whole has been too soft on getting rid of low-performers.”

The Thomas B. Fordham Institute conducted a nationwide study of authorizers in 2003 (*Charter School Authorizing: Are States Making the Grade?*). While the report found that “most major authorizers are doing an adequate job,” no state received a grade higher than B+. The study pointed to numerous shortcomings in how well states support authorizers and how authorizers practice their crafts. The **National Charter School Research Project (NCSRP)**, with funding from several foundations, published a report entitled *Holding Charter Authorizers Accountable: Why It Is Important and How It Might Be Done* to examine the causes and consequences of poor authorizing and explore how the problem might be fixed.

These studies are examples of one way that donors can help improve authorizing: by shedding light on authorizing policies and practices. Funders have pursued a number of other strategies at different levels:

- **National:** Several donors have supported the **National Association of Charter School Authorizers (NACSA)**, an organization whose membership includes over 100 of the nation’s largest, most resourceful authorizers, and whose members oversee well over half of the nation’s 4,000 charter schools. NACSA holds a national conference for authorizers, promulgates “principles and standards of quality authorizing,” conducts training for authorizers on specific issues, provides in-depth assistance to particular authorizers, disseminates information about authorizing, and speaks for its members in policy circles.
- **Local:** In Indianapolis, Indiana, the Annie E. Casey Foundation provided multi-year support to help then-Mayor Bart Peterson develop a top-notch authorizing system. The grants enabled the mayor’s office to invest up-front in the design of a rigorous application process, a thorough results-based accountability system, and a web-based source of information to families about all public schools in Indianapolis. The office is now completely funded through public dollars. Similarly, the Doris & Donald Fisher Fund provided resources to NACSA to help California’s authorizers improve the processes they use to vet applications.

### Donor’s Perspective

#### Funder as Authorizer: Lessons Learned from the Fordham Foundation

The Thomas B. Fordham Foundation was an early and enthusiastic backer of the charter school sector—and remains one to this day. In 2005, it took its involvement into an entirely new field. Fordham became a licensed Ohio charter school authorizer, responsible for assuring the quality of the charter schools under its jurisdiction. Here Chester E. Finn Jr., Fordham’s president, offers his insider’s perspective on charter school authorization. (Or, as he quips, his list of “a dozen reasons why it’s hard to be a charter sponsor in Ohio—and why it took us so long to begin to get it right.”)

1. Like many sponsors, we “inherited” a bevy of already-established charters. Without us, they would have been orphaned—and maybe died. We thought we scrutinized these charter schools carefully before taking them on, but we weren’t careful enough. We didn’t appreciate the extent to which they would arrive with their own idiosyncrasies, bad habits, and settled governance and staffing arrangements. Sometimes these proved to be strengths, but too often turned out to be frailties.
2. Though we’ve wanted to open new schools, we labor under various state-imposed charter “caps” that make it exceedingly difficult to do so. Worse, the Buckeye State’s school-funding structure makes it hard for charter operators to make ends meet.
3. The Ohio Department of Education, with which we have a sponsorship contract, has provided minimal guidance as to what the state expects of its charter authorizers. Its requirements are unclear, even in key realms such as NCLB oversight of schools that do not make “adequate yearly progress.”
4. A lot of time and effort has had to be spent on “compliance” and “enforcement.” We have to comply with authorizer requirements (processing forms, making reports, etc.) while overseeing school compliance with innumerable laws and regulations.
5. Ohio’s charter laws and regulations have been altered and amended so many times in so many ways that parsing them resembles an archeological dig in Jericho, with layer upon layer of frequently conflicting rules, expectations, and procedures. Almost nobody understands how it all works—and many dollars have been spent on attorney fees to try to make sense of it all.
6. The Ohio charter sponsorship “market,” now with more than 60 authorizers, contains some perverse incentives—most notably the incentive for a school, faced with plenty of choices among sponsors, to go for one that creates the fewest hassles and charges the lowest fees.
7. In Ohio, authorizers keep up to 3 percent of the per-pupil funding that the state pays to the schools, which creates further perverse incentives—namely, to keep alive as many schools with as

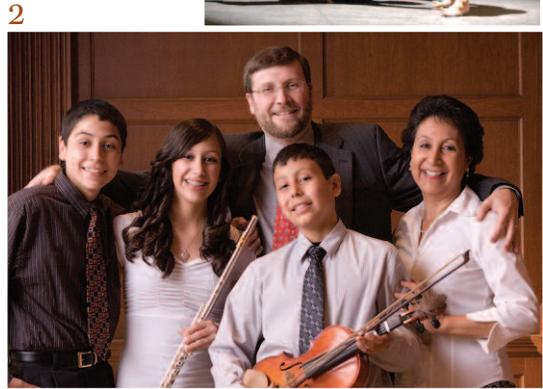
many kids as long as possible, no matter how they're doing educationally. Authorizers wind up with so little money that they can scarcely afford the staff and consultants needed to do this job right. If we didn't have resources of our own (and help from other foundations besides), authorization would bankrupt us.

8. Ohio's authorization structure is fragmented and most authorizers aren't accountable to anyone except themselves and their consciences. We could be "fired" by the Ohio Department of Education, but many other authorizers have a statutory "right," grandfathered in legislation, to sponsor schools indefinitely, be those schools good, bad, or indifferent.
9. The Ohio charter sector itself is fragmented, with too many competing interests, too much turf protection, too many "spokespersons," too many organizations, too many paid lobbyists, and too much greed.
10. The charter program in Ohio has been under constant attack by critics. When they fail with the legislature, they turn to the courts, the media, local government—anything they can do to create hassles for authorizers specifically and charter schools generally.
11. Charter doctrine says authorizers should close down bad and mediocre schools if they can't shape them up—but what if, as we've found time and again, the kids have nowhere better to go? A charter school may not deliver a high-quality education, but at least it's safe and welcoming. Do we turn those kids out on the street? Sentence them to a much worse district school?
12. Local politics matter, too. What does the authorizer do when the operators of a weak charter school are respected pillars of the community (and, often, of the minority community)? Without local support, the prospect for serious, lasting education reform in the community will not necessarily be enhanced by pulling the plug on community attempts to run a school.

*Chester E. Finn Jr. is president of the Thomas B. Fordham Foundation, senior fellow at the Hoover Institution at Stanford University, and senior editor of Education Next.*

**1** Recognized as one of the premier arts schools in the country, Orange County High School of the Arts serves 1,300 students in the 7th through 12th grades. Every day, students attend five hours of rigorous college prep courses and three hours of pre-professional arts conservatory training. At a time when arts education has been squeezed from traditional high schools, this charter school's comprehensive arts program, boasting 11 conservatories, is a model of excellence. (Photo courtesy of Orange County High School of the Arts)

**2** Jim and Josie Danovich's three children attend Chandler Preparatory Academy in the greater Phoenix metropolitan area. With every student in uniform, interactive classes of fewer than 22 students, a full-blown athletic program, and an advanced college preparatory curriculum, Chandler Prep could easily be mistaken for an elite—and expensive—private school. But Chandler Prep is a public charter school, one of six (and growing) in the Great Hearts Academies network. Each Great Hearts school provides a classical liberal arts education for grades 6 to 12, all while using fewer taxpayer dollars than traditional public schools. By graduation, students have a foundation in grammar and rhetoric, logic and mathematics (with three semesters of calculus), history, natural science, philosophy, and the fine arts. Great Hearts member schools are substantially outperforming their local district school counterparts, and many nearby private schools, on state tests and the SATs. (Photo courtesy of Great Hearts Academies)



**3** At Excellence Boys Charter School of Bedford Stuyvesant—where 98 percent of students are African-American, and 62 percent qualify for the federal meals program—100 percent of fourth graders achieved proficiency in math and 97 percent achieved proficiency in reading on the 2008 New York State exams. A member of the Uncommon Schools network, Excellence Boys is serving as a pathfinder for single-sex education models—especially for all-boys schools—at a time when the achievement gap between male and female students is growing at an alarming rate. (Photo courtesy of Anna Mia Davidson)

**4** Roughly 5,000 people attended the Harlem Success Academy Charter School lottery last year—and only 600 student slots were available. The school belongs to a fast-growing chain of charter elementary schools in Harlem created by former New York City Council Member Eva Moskowitz. The network has mobilized families into a group called Harlem Parents United, and parents have demonstrated en masse at public hearings in support of parental choice and education reform. (Photo courtesy of Success Charter Network)



5 Located in Texas' Rio Grande Valley, one of America's poorest rural regions, IDEA Public Schools is one of the nation's highest-performing charter school networks. IDEA's model includes high-quality teacher training, rigorous International Baccalaureate and AP curricula, an extended school day and year, and high expectations for all students, many of whom are recent immigrants. (Photo courtesy of Johnny Quiroz)

6 During a 2008 visit to Houston, Bill and Melinda Gates talk with two KIPP (Knowledge Is Power Program) students at SHINE Prep, KIPP's first early childhood and elementary school. Houston is the staging ground for an unprecedented experiment: KIPP and YES Prep Public Schools, two of the nation's highest-performing charter networks, will grow to over 50 schools in the next 10 years, serving nearly 15 percent of Houston public school students. The expansion—one that has already inspired \$120 million in philanthropic support—will draw intense scrutiny, and may provide an answer to a key question confronting the charter sector: Can charter schools achieve significant market share in one location while maintaining exceptional quality? (Photo courtesy of the Bill & Melinda Gates Foundation)



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7 Hurricane Katrina devastated what was one of the nation's worst public school systems. In its wake, however, is a glimmer of hope: the chance to remake, from scratch, an urban education system. This rare opportunity has ignited local reformers and attracted to New Orleans some of the nation's most entrepreneurial education leaders. Now at 55 percent, New Orleans' charter schools' market share is the highest in the nation. (School reformers at S. J. Green Charter School in New Orleans. Photo by Brian Smith for *TIME*)

**8** Launched in 2000, High Tech High immerses students in a rigorous learning environment that emphasizes math, engineering, and science. The charter school organization, which currently operates nine K-12 schools in San Diego, California, recently opened a graduate school of education, the first GSE embedded in a K-12 community. The program has had tremendous success credentialing teachers in math and science, who are generally in short supply. (Photo courtesy of High Tech High)

**9** Eileen and Dennis Bakke, co-founder and longtime chief executive of energy company AES, discuss a science lesson with second graders at Imagine Foundations Public Charter School in Upper Marlboro, Maryland, one of 72 public charter schools operated by the couple's Imagine Schools organization. Launched in 2003 and originally a for-profit charter school operator, Imagine Schools works in 12 states and the District of Columbia, serving nearly 35,000 students nationwide. (Photo courtesy of Craig Herndon)

**10** At the nationally acclaimed YES Prep Public Schools—where 96 percent of the students are black or Latino and over 85 percent qualify for the federal meals program—college acceptance is a graduation requirement. Since 2001, eight classes of YES Prep seniors have graduated and 100 percent have matriculated at four-year colleges or universities, including Harvard, Yale, Columbia, Notre Dame, Stanford, and the University of Texas. Over 90 percent of YES Prep graduates are the first in their families to attend college.





### Collection and Dissemination of Data and Research

Even as donors have supported the improvement of authorizing, many have asked: “Who holds the authorizers accountable? What if authorizers are approving shoddy applications, or falling short in their accountability duties?” Realizing that some authorizers are not providing the needed focus on quality, some funders have also supported third-party information providers who make data available

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Funders have supported third-party information providers who make data available on school performance, without being tied to an authorizer or school.

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on school performance, without being tied to an authorizer or school. For instance, the Broad Foundation, the Daniels Fund, the Bill & Melinda Gates Foundation, the Robertson Foundation, and the **William and Flora Hewlett Foundation** have been at the forefront of such efforts through their support of **GreatSchools.net** and its affiliated website **CharterSchoolRatings.org**, which include information on all pub-

lic schools—and specifically on charter schools. Funders can contribute to national efforts like these, or fund local or state initiatives to provide information—like **Connecticut Coalition for Achievement Now (ConnCAN)**’s report cards on all public schools in Connecticut, including charter schools.

Nationally, information technology and growth modeling have matured significantly, allowing more information on public school performance than has been available ever before. Amid these changes, efforts have increased to gather and disseminate information about charter schools, their students’ performance, and the conditions that contribute to their success. It is a movement to which donors can make a significant contribution. Ted Mitchell, CEO of NewSchools Venture Fund, has nonetheless noted that, to date, “philanthropy in general has been slow to support research—which is the result, in large part, of a salutary bias toward action. But it is time for us to start learning what the really successful charter schools and charter networks are doing well—to study their ‘secret sauce’ of educational achievement—so that the charter sector can begin to engage in a sustained effort to replicate their effects.”

Today, many charter-related research projects are underway. The list below provides just a sample:

- Several donors—including the **Achelis & Bodman Foundations**, the **Heinz Endowments**, the **Rodel Charitable Trust**, the Annie E. Casey Foundation, the Daniels Fund, the Fisher Fund, the Fordham Foundation, the Gates Foundation, the Ewing Marion Kauffman Foundation, and the Walton Family Foundation—thought it necessary to create a non-partisan clearinghouse for research on the charter sector. Those donors drove the creation of the National Charter School Research Project at the University of Washington’s Center on Reinventing Public Education. Recent reports from the project include *Quantity Counts: The Growth of Charter School Management Organizations*, *Inside Charter Schools: A Systematic Look at Our Nation’s Charter Schools*, and multiple editions (most recently, 2008) of *Hopes, Fears, & Reality: A Balanced Look at American Charter Schools*.

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Information technology and growth modeling have matured significantly, allowing more information on public school performance than has been available ever before.

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- The Joyce Foundation has contributed \$100,000 to a longitudinal evaluation of charter schools in Ohio, Wisconsin, and Illinois conducted by the RAND Corporation.
- The Walton Family Foundation has supported a major charter school data collection and analysis project at the Hoover Institution’s **Center for Research on Education Outcomes (CREDO)**. This project has become linked with an initiative that includes the National Alliance for Public Charter Schools and the National Association of Charter School Authorizers (NACSA) to define a set of performance measures to guide chartering in the future.

- The Annie E. Casey Foundation has funded a series of reports by the **Progressive Policy Institute** and the non-partisan think tank **Education Sector** examining states' experiences with charter schooling and the role of state charter laws in shaping the health of their charter school sector. It has also funded a recent report that analyzes findings across the series to make recommendations about how states can improve their charter laws and the policies that govern their operations.

A recent and particularly strategic investment in research comes from the **Boston Foundation**, which funded *Informing the Debate: Comparing Boston's Charter, Pilot, and Traditional Schools*.

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There is not yet a widespread consensus on what "quality" means in the charter sector.

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Conducted by scholars from Harvard, MIT, Michigan, and Duke, the January 2009 study finds that Boston charter schools are doing significantly better than pilot schools in raising student achievement. (Pilot schools are

essentially public schools with flexibility over budgets, staffing, curricula, and scheduling, but which remain part of the local school district and subject to the collectively bargained pay scales and seniority protections—a sort of halfway point between district and charter schools.) Because the study was designed to reduce the possibility that charters might benefit from having more motivated students and parents, its results are all the more striking.

Among its other key findings, the report determined that the impact of charter schools relative to pilot schools was particularly dramatic in middle school math. The effect of a single year spent in a charter school was equivalent to half of the black-white achievement gap. Performance in English language arts significantly increased among charter middle school students, though somewhat less dramatically. Charter students also showed stronger performance scores in high school, in English language arts, math, writing topic development, and writing composition.

## Definitions and Standards of Quality

In the charter sector’s early days, the focus of charter advocates—and many donors—was on rapidly expanding the number of charter schools. Expansion is still a priority for most charter donors, but increasingly funders have begun to demand that the schools and school networks they fund achieve substantial results with students. In fact, many donors now express an urgency around defining and insisting upon excellence. As Lory Pilchik of the Michael & Susan Dell Foundation explains, “We strongly believe that we must require charters to demonstrate much more clearly that they are producing significantly better academic results for students. If they can’t demonstrate this, they will continue to be vulnerable to politics, to unions, and to parents.”

There is not yet a widespread consensus on what “quality” means in the charter sector. The **Building Charter School Quality Consortium** project has served as a leader in the effort to establish a consensus among reformers, nonprofits, and foundations to create a set of academic and operational performance measures and practices that define quality charter schools. Guided in part by the Michael & Susan Dell Foundation, the Gates Foundation, and the Annie E. Casey Foundation, the consortium has published *A Framework for Academic Quality*, which sets out a foundation and starting point for assessing academic quality in charter schools across the nation.

The Walton Family Foundation is very explicit about its definition of quality among its charter grantees. “We are agnostic about which curriculum or assessment tools that schools use,” says Jim Blew, the foundation’s director of K-12 education reform. “But we are not agnostic about the rigor of those tools. We are very straightforward with our grantees that we expect them to dramatically increase student achievement, as measured by standardized tests in math and reading. We understand that there are other ways of measuring quality—attendance rates, graduation rates, etc.—and we want to hear about those, too. But, at the end of the day, we want to know that grantees are actually raising student achievement.” To

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Expansion is still a priority for most charter donors, but increasingly funders have begun to demand that the schools and networks they fund achieve substantial results with students.

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help its charter schools collect and analyze performance data, the foundation encourages schools to include in their start-up requests funds for implementing student information and formative assessment systems to continuously improve their operations and instruction.

### **Donor's Perspective Standards and Definitions**

The philanthropic community needs a stronger collective voice around high standards and must work together to define what that means. As a community, we must ensure that we're systematically building the capability to improve quality across the charter sector.

Lory Pilchik

*Portfolio director, U.S. Education, Michael & Susan Dell Foundation*

By the same token, one of the main goals of the Michael & Susan Dell Foundation's charter investment portfolio is to give schools the ability to track performance and respond as necessary. Through performance-management grants, the foundation works with the schools and CMOs it invests in to help develop mission-specific goals and support the development of processes that will allow the CMOs to develop action plans based on the collected data. To help track the performance of its own charter grantees, the foundation has developed an internal outcomes reporting database that consolidates all of the data about its schools' performance in one place.

The Michael & Susan Dell Foundation has also provided \$3 million over four years to the California Charter Schools Association (CCSA) to support California charter schools in their collection and analysis of data. The CCSA will contract with a data management organization to pilot the program in 30 Los Angeles charter schools, and plans to eventually roll out the program across the state.

### Donor's Perspective

#### Ensuring Return on Investment for Public Charter School Grants

The Eli and Edythe Broad Foundation is a national entrepreneurial philanthropy that seeks to dramatically transform American urban public education through better governance, management, labor, and competition. Investing in high-quality charter management organizations (CMOs) and charter-support organizations is a key part of our mission.

Since 1999, we have provided nearly \$100 million to the charter sector, primarily in Los Angeles, New York City, Washington, D.C., and New Orleans. We fund the expansion of high-quality charter schools (e.g., Aspire, Green Dot, Uncommon Schools, NewSchools Venture Fund). We also provide charter facilities funding (e.g., Pacific Charter School Development, Civic Builders, Charter School Growth Fund). Finally, we support charter leadership development (e.g., KIPP, New Leaders for New Schools) and advocacy (e.g., California Charter Schools Association).

Each of our grants has a “performance dashboard,” which measures whether or not the investment is paying off. The ultimate return is a significantly higher rate of student achievement by charter school students as compared with their peers, but we also track a number of critical metrics to determine the operational effectiveness and financial sustainability of these nonprofit organizations. Below are a few examples of how we evaluate the grants in our charter portfolio.

#### Student Achievement

For grants made to charter management organizations, we measure whether or not the charter school/CMO is improving academic achievement for its students faster than comparison groups. We use the state reading- and math-achievement tests to determine:

- Absolute performance levels of the charter school as compared with comparison groups;
- Improvement in raising the percentage of *all students* meeting or exceeding proficiency;

- Improvement in reducing the percentage of *all students* performing at the lowest levels of proficiency (i.e., “below basic”); and
- Improvement in raising the percentage of *black, Hispanic, and low-income* students meeting or exceeding proficiency.

We analyze this data on a school-by-school basis, and then count the number of schools within each CMO that are outperforming comparisons groups. For charters, those comparison groups are:

- Host school district;
- Demographically similar schools in the host school district;
- The geographically closest school in the host school district; and
- The statewide average.

For charter leadership development programs, we run a similar student achievement analysis for each newly trained school principal placed in a charter school. For high schools, we have started to analyze college readiness data, including:

- Scores and participation rates on college-preparation tests (e.g., ACT, SAT, Advanced Placement);
- Graduation rates; and
- College-going rates.

We are also now developing a formal “return on investment” calculation that will enable us to take into account our financial investment in comparison to student achievement levels. This “ROI” will help us compare our charter investments with other public education investments made by the foundation (i.e., grants to districts).

### Operational Effectiveness

In addition to student achievement measures, we look at a number of critical operational and financial metrics to determine performance. Some examples are listed below:

<b>Area of Evaluation</b>	<b>Sample Metric</b>
Growth	The CMO will operate 13 schools and enroll 5,000 students by Oct. 2008.
Financial Sustainability	Each school will be financially self-sufficient (using public revenue sources only) by the end of its third year of operation.
Financial Sustainability	The CMO will meet its 2008 fundraising target of \$15 million.
Execution	At least 80 percent of principals will rate the home office operations as good or outstanding (4 or 5 on a 5-point scale in an annual survey).
Execution	At least 80 percent of teachers invited back for employment will remain.
Execution	The CMO will provide facilities to each school at a rent less than 16 percent of each school's operating budget.

The rigorous evaluation of our charter grants helps us understand which grantees are succeeding and which ones are not performing as expected. We review the performance dashboard with each grantee every year, and the information enables us to provide concrete feedback and strategic counsel to the CMOs and charter support organizations in our portfolio. The data also serves as a benchmark as we consider new charter proposals, and helps us to share best practices across all of the foundation's investments.

Dan Katzir  
*Managing director, Eli and Edythe Broad Foundation*



## Chapter VII: Forging Charter-friendly Public Policies

Nearly 18 years into the charter school movement, opposition to charter schools remains well-organized, well-funded, and well-publicized. It has become abundantly clear, based on numerous examples from across the country, that none of the philanthropic investments discussed in the previous chapters will succeed unless more states adopt charter-friendly public policies. Funders will never build scale-with-quality where state laws flatly disallow chartering, tightly restrict the number of charter schools or authorizers, or regularly impose undue regulation on charter schools. Indeed, the public financing of charter schools—which routinely under-funds charters relative to their district school counterparts—is itself a major impediment to scaling with quality. And without a critical mass of high-performing charter schools, the charter school sector’s influence on students, and on public education, will be minimal.

### Ideas for New Funders

- Fund a community organization hoping to provide accurate information about charter schools to its constituents.
- Develop a report to be disseminated to local leaders outlining the benefits of charter schools.
- Take local business and civic leaders to visit high-performing charter schools in other locales.

“Our goal is to create more high-quality options for more low-income children,” says Jim Blew, director of K-12 education reform at the Walton Family Foundation. “Many times that depends on the regulatory and legislative environment surrounding charter schools. Investments in this area can be very powerful means toward creating a healthy and flourishing policy environment for charter schools.”

Recognizing the central importance of charter school laws, many donors have sought ways to educate policymakers and the public about the kinds of policies necessary for the charter sector to thrive. Although there are legal restrictions on a foundation’s support of advocacy work, there are still many ways in which funders can help make the case for charter schools to both policymakers and the general public. (Please consult an experienced attorney for detailed information about the legal parameters of philanthropic involvement in advocacy.)

A central goal of such efforts has been the creation of organizations with the capacity to conduct effective advocacy. Opposition to charter schools—in many areas, led primarily, but not exclusively, by teachers’ unions—comes from well-funded and media-savvy organizations, many of which have years of experience, grassroots support, and strong connections to elected officials. These organizations seek measures that would restrict freedom and innovation within the charter school sector, by instituting policies such as mandatory union participation for teachers or requirements of a certain number of minutes of student seat-time in each subject.

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A central goal of the charter sector has been the creation of an organization with the capacity to conduct effective advocacy.

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Worse, they fight to “freeze” the number of charters well below the already established caps, and even attack the very existence of charter schools by claiming charters are unconstitutional. Without a clear and compelling argument for charter schools, anti-charter voices will be the only ones whispering in the ears of legislators.

One natural way to bolster the charter sector against such opposition is to shine a spotlight on its successes. Funders can similarly support 501(c)(3) nonprofits that build grassroots support and engage in advocacy work on a broader scale, including some degree of direct lobbying. Reed Hastings, founder of NetFlix and an early investor in the charter sector, has also suggested that “investing in the traditional district system—as well as the charter sector—helps diminish opposition by gaining credibility.”

Moreover, individuals—as opposed to foundations—are free to support charter school advocacy through non-tax-deductible contributions to candidates, political action committees, and lobbying efforts. “Politics is essential for success,” says Hastings, “and because politics are largely influenced by money, education reformers should consider setting up 501(c)(4) entities to maintain an active political presence.” Such a strategy can be tricky, however, and those interested in making strategic political investments should contact other funders in the state to learn about this kind of giving.

Here are several different kinds of activities that donors can fund in support of charter-friendly policies.

## Building Grassroots Support

Families—especially families in poor communities—are often the most vigorous advocates of expanded school choice and chartering. Many funders have come to appreciate the need to cultivate this grassroots support effectively, and they have funded efforts to that end. For example:

- Steve Barr, co-founder of Rock the Vote, helped form the **Los Angeles Parents Union (LAPU)** as a project of Green Dot Charter Schools. Now an independent organization, LAPU continues to bring together parents to press for change in the Los Angeles Unified School District. By early 2009, LAPU had enrolled approximately 5,000 parent members. What is more, according to LAPU executive director Ben Austin, the Parent Revolution campaign is “growing by hundreds every week.” These parents are advocating and petitioning for improvements to their local public schools and systemic changes to the school district.

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Families—especially families in poor communities—are often the most vigorous advocates of chartering. Many funders have come to appreciate the need to cultivate this grassroots support effectively.

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- Notably, LAPU has formed a partnership with Service Employees International Union (SEIU). While many unions have opposed charter schools, SEIU has embraced LAPU’s reform agenda because its members’ children are victims of failing district schools. For almost a year, SEIU has formally worked with Green Dot, providing LAPU both funding and technical assistance from experienced organizers. The Broad Foundation has also supported LAPU with significant funding.
- In Albany, New York, what began with the opening of two elementary charter schools in 2002 has become one of the most interesting charter markets in the nation. Through the efforts of the **Brighter Choice Foundation**, which provides key philanthropic support and technical assistance, Albany is now home to 10 charter schools (9 of which receive support from Brighter Choice). By the autumn of 2009, the charter sector will educate more than 25 percent of the city’s public school stu-

dents, with plans to enroll 30 percent of public school students by 2010-11 and 35 percent by 2011-12. This rising market share has been accompanied by aggressive parent organizing, with one event drawing 3,000 students, parents, and community members—impressive numbers for a relatively small city. Union attempts to cap the growth of charters in Albany have been repeatedly blocked; three New York governors and two Senate majority leaders, Republicans and Democrats, have backed the Albany charter effort. Moreover, Brighter Choice, working with the New York Charter Schools Association, recently won a court case blocking the application of prevailing-wage laws (which mandate payment of union wages) to charter school facilities and services.

- Eva Moskowitz launched the Harlem Success Academy 1 in 2006 to meet the surging demand for quality schools among parents in Harlem. With support from John Petry and Joel Greenblatt (partners at Gotham Capital, a Manhattan hedge fund) and other national foundations, the **Success Charter Network** is now a CMO, which added three more schools in the summer of 2008, and plans to grow to 40 schools over the next decade. Notably, Moskowitz, a former city council member and outspoken education committee chairperson for New York City, has also put her political skills to good use. She has mobilized families

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Moskowitz has mobilized families through Harlem Parents United, and has brought thousands of parents to public hearings to demand much-needed space in public school buildings.

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through Harlem Parents United, and has brought thousands of parents to public hearings in order to demand much-needed space in public school buildings.

- In July 2007, the California Assembly passed a budget that would slash facilities support for charter schools serving high-poverty students to less than half of full funding and place charter authorization in the hands of hostile district school boards. The California Charter Schools Association (CCSA) sprang into action, rallying parents, teachers, and community members on

behalf of charter schools. CCSA mobilized parents and teachers at a late-August rally in the home district of Assembly Speaker Fabian Núñez. The measures were ultimately defeated, and the CCSA has since kept the charter community apprised of, and engaged with, bills that affect charter schools.

- In 1996, a group in Tempe, Arizona—consisting of professors, engineers, and businessmen—collaborated to found **Chandler Preparatory Academy** (originally Tempe Preparatory Academy).

Their goal was straightforward:

they wanted to provide their own children with a first-rate liberal arts education, through the auspices of a public charter school. Today, a network of charter schools based on the Tempe model—the **Great Hearts Academies**—provides a content-rich liberal arts education to 6th through 12th grade students across Arizona. Perhaps more importantly, these schools draw many middle- and upper-middle-class

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Perhaps more importantly, Great Hearts Academies draw many middle- and upper-middle-class families into the charter sector—a major strategic advance, since these parents form a vital electoral constituency.

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families into the charter sector. This represents a major strategic advance, since these parents form a vital electoral constituency—with significant clout among policymakers—within which the charter sector has not yet made inroads.

- The **Boston Charter School Alliance** was formed with \$50,000 of initial support from the Boston Foundation in the summer of 2006 to inspire and organize parents in support of charter schools. Member schools also contribute between \$2,500 and \$4,000 to support a full-time staff member, who is held accountable for specific goals and results (such as, for example, the number of parents who write to their elected officials on behalf of their charter school). This effort was duplicated by a second group of charter schools in Boston in 2007.

- The Black Alliance for Educational Options (BAEO) is a national organization with local affiliates in many cities and states. BAEO and its local offices exist to empower black families by providing them with information about their schooling options and to advocate for the expansion of educational choices. Using cutting-edge media, as well as old-fashioned organizing, BAEO is attempting to tap into and build upon community-based support for school choice policies.
- New Schools for New Orleans sponsors public and parent information initiatives—including print and online versions of the *New Orleans Parents' Guide to Public Schools*—which help ensure that parents and community members understand the charter model and are aware of the educational options available to their students. NSNO also sponsored radio advertisements to spread the word about charter schools, and helped create a local office dedicated to providing parents with tools and information that allow them to advocate for themselves when choosing a school.

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Private philanthropic organizations have legal limitations on their ability to engage in advocacy work.

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### **Supporting State-level Organizations that Advocate Strong Charter Policies**

Because most charter policies are set by state legislatures, every state with a charter law (and many of those without one) has at least one statewide organization dedicated to educating policymakers and the public about the need for stronger charter policies. Some are independent nonprofits governed by parents, reformers, and community and business leaders. Other pro-charter organizations are membership-based, issue-specific groups known as charter school “associations” or “leagues.” Over the years, these organizations have successfully led efforts to:

- lift or eliminate caps on the number of charter schools allowed in a state;
- expand the range of bodies that can authorize schools in a state;
- increase funding for charter schools, or open up access to facilities financing;

- eliminate restrictions on charter school autonomy;
- and repel efforts by charter opponents (such as teachers' unions, entrenched school boards, and principals resistant to competition) to roll back chartering in state law.

As noted, private philanthropic organizations have legal limitations on their ability to engage in advocacy work. In particular, they themselves cannot lobby or direct grant money for lobbying without being liable for a taxable expenditure, though they can fund some organizations and projects that include lobbying as part of their work. And a number of foundations have indeed funded the work of state-level charter support and advocacy organizations, such as the California Charter Schools Association, which serves as a strong statewide voice for charter schools.

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Every state with a charter law (and many without one) has at least one statewide organization dedicated to educating policymakers and the public about the need for stronger charter policies.

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The Chicago-based Joyce Foundation provided the **Illinois Network of Charter Schools (INCS)** a \$300,000 grant over two years to support the development and dissemination of information about the state's charter schools to key public and policymaking audiences.

Philanthropic organizations can also sponsor educational sessions for policymakers on the potential role and benefits of charter schools. For example, the **Gates Family Foundation** of Colorado (not affiliated with the Bill & Melinda Gates Foundation) invested \$10,000 over a decade ago in a one-day conference that brought in key players involved in the establishment of the Minnesota and California charter laws. According to one Gates Family Foundation officer, that conference "lit a fire under several Colorado policymakers and educators." Within six months, the new charter school bill became law. The foundation went on to provide vital seed funding for the **Colorado League of Charter Schools**, which became a very influential advocate of chartering in the state. Over the years, the league has helped win legislative victories that have expanded facilities financing for charter schools and accomplished other vital goals.

This low-cost, high-leverage strategy has applicability across state lines, too. Donors can fund site visits to other states, in order to get key players to see the promise, and encourage the importation, of successful charter schools.

Grantmaking organizations may furthermore fund legal defense funds against anti-charter efforts. For example, the California Charter Schools Association has received funding from several donors to support its legal battle to enforce Prop 39, a measure that entitles charter schools to the use of district-owned buildings. Passed in 2000, the law requires local school districts to provide charter schools with facilities that are “reasonably equivalent” to those which students would be using if they were attending traditional district schools. The CCSA has helped its members in several districts obtain “equal treatment” under this law.

### **Leveraging Smaller Investments Funding Legal Awareness**

Every year, the **Jaquelin Hume Foundation** funds the Atlantic Legal Foundation in New York to the tune of \$30,000. Atlantic Legal engages in charter school litigation in New York and New Jersey; perhaps more importantly, it publishes the *Atlantic Legal’s Guide to Leveling the Playing Field: What [State] Charter School Leaders Need to Know about Union Organizing*. The “[State]” in the subtitle varies by publication, as Atlantic Legal puts out separate editions of these very helpful little books for individual states. It currently has editions available for New York, New Jersey, Massachusetts, and Michigan, with editions for Colorado and California pending.

Gisèle Huff

*Executive director, Jaquelin Hume Foundation*

Nevertheless, political work is often necessary—political work that falls outside the boundaries of allowable foundation contributions. When that happens, private individuals often step in. Many education reformers, for example, have personally supported **EdVoice**, a California-based advocacy organization whose mission is to give students and parents the same advocacy voice as teachers, board members, and textbook publishers. EdVoice lobbies for legislation and backs voter initiatives on a range of issues, including charter schools. (With the support of California State Senator Jack Scott, for instance, in 2006 EdVoice helped pass Senate Bill 1655 to give low-performing schools more power over the teachers they hire.) Many of these private individuals have made non-tax-deductible contributions to specific candidates for office, either directly or through political action committees. In most states with strong charter laws, such direct political funding has been invaluable in creating a charter-friendly environment.

## Expert's Perspective

### Investing in Statewide Charter School Policy

In January 2005, a group of Connecticut philanthropists—along with leaders from the state's business, higher education, and civic communities—came together to create the Connecticut Coalition for Achievement Now (ConnCAN). ConnCAN is a 501(c)(3) non-profit advocacy organization designed to catalyze the fundamental education reforms needed to move Connecticut from worst to first on the achievement gap.

Jon Sackler, ConnCAN's founding board chair, first became excited about the potential of charter schools to revolutionize urban public education when he saw the great results achieved at New Haven's Amistad Academy. Sackler nevertheless quickly realized Connecticut could not close its achievement gap by simply replicating high-performing charter schools across the state. There were too many statutory barriers, as well as a general lack of receptivity on the part of numerous school districts. There was also the problem of scale: Connecticut's charter schools served only a few thousand children, while more than 100,000 students across the state were victims of the achievement gap—and, even in the best of cases, scaling up the operations of a network of high-performing charter schools is a fairly slow proposition.

Presented with these challenges, Sackler and ConnCAN's other founding board members decided to create an organization that would work to close the achievement gap through policy research and advocacy. As executive director, a significant part of my job has been to develop and pursue ConnCAN's "Great Schools for All" reform plan—an effort that seeks to ripen the political environment for expanding high-performing charter management organizations, while at the same time working to create broader policy solutions that can be of immediate benefit to students remaining in the state's traditional public schools.

In its first several years, this strategy has delivered considerable returns. ConnCAN has succeeded in generating a statewide debate that takes for granted the need for systemic reform. It has moreover secured concrete legislative support for key education investments. With respect to charter schools specifically, some of these advocacy successes include lifting the enrollment caps on the state's charter schools, thereby allowing for a 40 percent expansion in enrollment;

raising charter school operating grants by over \$2,000 per pupil; and securing the allocation of nearly \$50 million in state bond funding for charter school facilities. With respect to ConnCAN's broader education reform agenda, successes include passing legislation that allows Teach For America to come to Connecticut, funding a statewide longitudinal student data system, implementing a pre-school quality rating system, and significantly enhancing the state's ability to intervene in failing schools and districts.

When it comes to charter school advocacy, one of the clear lessons from our experience in Connecticut is this: People who defend the public education system as it is currently constituted will argue that high-performing charter schools are irrelevant to the larger discussion of improving public education. Charter schools serve different students, they say, and play by different rules. The opponents of charter schools will say anything to prevent comparisons between charter schools and traditional district schools. Charter proponents are therefore wise to invest in advocacy efforts to create statewide data systems that provide transparency about student enrollment and achievement across the entire public school system. When state policy falls short, an independent effort can often do much to fill this need—as ConnCAN has done with its online “School Report Cards” and “Top 10” lists—providing easy-to-access comparative enrollment and academic achievement data for virtually every public school in the state.

In the end, our experience suggests that even in a state with a relatively small charter school sector, when charter school advocates embrace a broad theory of change, they can play a powerful role in driving a reform agenda that reaches across the entire system of public education. Indeed, because ConnCAN's advocacy for charter schools is an integral part of a broader reform plan that speaks to the needs of all of the state's public schools, policymakers have the opportunity to move beyond the notion that charter schools and traditional public schools are locked in a zero-sum conflict. Rather, by supporting the “Great Schools for All” plan as a whole, legislators can place their support for charter schools in the context of a comprehensive program that benefits all of the state's children, thereby maximizing the power of high-performing charter schools.

Alex Johnston

*Executive director, Connecticut Coalition for Achievement Now  
(ConnCAN)*

## Supporting Nationwide Information and Advocacy

Though state-level work is central in charter advocacy efforts, there are critical roles for national organizations, as well. Many issues are common from state to state, and national organizations are in a position to gather and disseminate information to state-based advocates. And, though the federal role in charter policy is relatively small, there are significant legislative and administrative issues in Washington that affect charter schools. While the definition of public schools in many federal education laws (including No Child Left Behind) encompasses charter schools, definitions in other parts of federal law do not. Many questions about the law's disparate impact on charter schools remain unanswered, including how charter schools fit into federal special education law and NCLB's requirements for highly qualified teachers.

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Though the federal role in charter policy is relatively small, there are significant issues in Washington that affect charter schools.

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And the accountability provisions of NCLB have sprung into effect in many states, triggering options to restructure failing district schools as charters—territory which remains largely unexplored. There is a great need for a national presence on behalf of chartering to give guidance on these and many other issues.

Funders have helped numerous national organizations undertake such work. For example, the National Alliance for Public Charter Schools works with support from several donors to increase public support and political understanding of charter schools on a national level by helping ensure that parents, the press, and policy-makers see chartering as a continuous-improvement model for delivering public education. The D.C.-based Center for Education Reform also advocates on multiple levels (national, state, and local) for school choice, works to advance the charter school sector, and challenges the inefficiencies of the education establishment. With respect to the charter sector specifically, it helps support grassroots activism through weekly e-news updates, communications training, and collaborative networking. Among its other publications, the Center for Education Reform also rates state charter laws and compiles and distributes an annual directory of charter schools across the nation.

As they have at the state level, individuals have also made significant non-tax-deductible contributions to national political

organizations. **All Children Matter (ACM)**—which is a 501(c)(4) organization—works nationally to elect public officials who support school choice and education reform. Though the organization is better known for its support of private school choice, the candidates it backs tend to support chartering as well.

The **U.S. Chamber of Commerce**, meanwhile, speaking on behalf of businesses nationwide, has begun advocating charter schools as a means to ensure future economic growth. In October

2008, the Chamber issued a report calling on American businesses to support charter schools. “Public charter schools are without a doubt one of the nation’s most promising efforts to produce more great public schools,” says Arthur Rothkopf, senior vice president of the Chamber. “With the critical need for a well-educated workforce, we must do everything we can to increase the supply.”

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“With the critical need for a well-educated workforce,” says the U.S. Chamber of Commerce, “we must do everything we can to increase the supply [of charter schools].”

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**Democrats for Education Reform (DFER)** is a lobbying, funding, and advocacy group launched in 2007 that supports high standards, innovation and accountability in education—as well as charter schools. The organization is a 501(c)(4), allowing it to lobby nationally in support of reform-minded Democratic candidates, and to advocate for legislation (such as, to take one example, a bill to lift the cap on the number of charter schools in New York). Non-tax-deductible contributions to DFER come from individuals like hedge-fund investors William Ackman, R. Boykin Curry IV, Charles Ledley, John Petry, and Whitney Tilson. Private foundations like the Broad Foundation contribute to a related 501(c)(3), **Education Reform Now**. DFER has hosted rallies and events on behalf of charter schools both in New York and across the nation.

While these organizations work primarily at the state level, as national entities they have access to a wider range of donors and expertise in their work. They also have the ability to channel resources to places that need them the most. That imperative, combined with the growing number of national issues, and the strength of the sector’s national opponents, all suggest that, moving forward, the charter sector will need ever more effective policy advocacy.

## Chapter VIII: The Next Phase of Philanthropic Support

In several cities, donors have pooled their resources to simultaneously pursue all five strategic priorities in a single region or city. In doing so, they intend to build the charter sector to scale without sacrificing its quality. Their ultimate goal? To create real alternatives in public school education, in the belief that choice will foster competition, and competition will lead to systemic improvement.

### Big Hopes for the Big Easy

New Orleans is generally regarded as presenting an especially promising opportunity, since the post-Katrina landscape affords donors a chance to help dramatically re-create the school system by saturating it with high-quality charter schools. In New Orleans, local and national foundations have collaborated to support the city's new charter school sector.

Before Hurricane Katrina landed in 2005, charter schools accounted for only 7 of New Orleans' 126 public schools. But in 2008, 39 of the 75 operating schools were charters, and charter schools held a 55 percent market share of students in Orleans Parish. For many leaders in school reform, New Orleans offers the charter sector its most promising prospect for reaching the tipping point.

Working toward that end, multiple funders in New Orleans are collaborating to improve the quality of local K-12 education, primarily through an intermediary organization, New Schools for New Orleans (NSNO).

- **Supply:** NSNO, with support from several national and local philanthropies, provides incubating and planning grants and assistance to help promising charter schools open and replicate in New Orleans.
- **Human capital:** NSNO is supporting the development of human capital in the city's schools by recruiting outstanding teachers and leaders and by partnering with TeachNOLA, TFA, and New Leaders for New Schools to address urgent human capital needs.

- **Operational challenges:** NSNO also provides new charter founders with leadership training, operational assistance, legal assistance, board development consulting, and a charter application review. Moreover, operating schools receive support on day-to-day legal needs through NSNO's pro bono attorney project.
- **Improving quality:** NSNO serves as a clearinghouse of support for school operators, providing ongoing assistance in the areas of human capital, academic quality, and school investment resources.
- **Policy environment:** NSNO serves as a voice for charter schools in New Orleans and advocates on their behalf in the community, district, and state. NSNO also sponsors public and parent information initiatives to share information about public charter schools in the Big Easy.

### Chartering Graceland

Memphis, Tennessee, is another city in which private funders are pursuing all five strategic priorities simultaneously. In Memphis, the Hyde Family Foundations have been especially active through multiple channels. By confining their investments to one specific region, they have had a focused impact on Memphis schools.

- **Supply:** The Hyde Family Foundations provide planning grants to promising groups interested in applying to open charter schools, make start-up grants, and offer hands-on technical support to groups that have successfully applied for a charter.
- **Human capital:** Realizing that 57 percent of principals in Memphis were at or nearing retirement, Hyde invested in bringing New Leaders for New Schools to Memphis to recruit and train principals for local charter and district schools. Hyde has also worked to bring Teach For America to the city, and supports The New Teacher Project's innovative Urban Teacher Hiring Initiative, which seeks to increase the number of highly qualified applicants for teaching positions in Memphis while creating a supportive environment where they can have the greatest impact on student achievement.

- **Operational challenges:** Through their leadership in the community, Hyde helped convene the city's banking and finance leaders to create facilities solutions for local charter schools. Statewide, Hyde has provided support for the technical assistance activities of the **Tennessee Charter Schools Association**.
- **Improving quality:** Hyde has funded a large-scale university research project that will examine the effectiveness of charter schools in Memphis and provide support for Memphis' sole authorizer, the school district, to receive training and support from the National Association of Charter School Authorizers (NACSA) on the development of its authorizing system.
- **Policy environment:** Hyde has worked to impact the policy environment in which charter schools and authorizers operate in Memphis specifically and Tennessee generally. Hyde also partnered with Tennessee charter advocacy organizations on the initial passage of the charter law, as well as on subsequent state issues.

### Reaching the Tipping Point

In several cities across the country, charter schools have obtained a significant market share of the local public school students. Other cities have not achieved scale, but boast a smaller set of charter schools which are strong academically. What has yet to be achieved, however, is a combination of scale and quality, where first-rate charter schools comprise a significant share of the public school market. Achieving that goal is the desire of many donors, large and small.

In Houston, for instance, funders have combined forces to press for significant market share, as the KIPP and YES Prep charter networks plan to grow to over 50 schools in the next 10 years, serving nearly 15 percent of Houston's public school students. The expansion has inspired over \$120 million in philanthropic support from a large group of donors—both within and outside of Texas—all of whom are keeping their eyes on the Houston “experiment.”

Albany is yet another example. Albany's charter schools enrolled approximately 22 percent of all public school students in 2008-09. As part of the Albany Project, the Brighter Choice Foundation and its partners anticipate that charter schools will attain over 25 percent market share in 2009-10, with plans to serve 30 percent of all

public school students in the city by 2010-11 and 35 percent by 2011-12. Even better, the scaled growth has been accompanied by continued excellence. In 2007-08, charters backed by Brighter Choice scored first in math in every grade, and first in English language arts in the highest elementary and middle school grades.

In Newark, New Jersey, the **Newark Charter School Fund (NCSF)** is working with support from, among others, the **MCJ and Amelior Foundation**, the **Victoria Foundation**, the Bill & Melinda

Gates Foundation, the Robertson Foundation, and the Prudential Foundation. These funders are collaborating to drastically increase the market share of exceptional charter schools within the city. Taking advantage of the hospitable political climate provided by Democratic Mayor Cory A. Booker, NCSF seeks to grow Newark's charter sector to scale, without sacrificing quality. It will provide resources to aid mature schools,

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Many funders hope that this kind of geographic concentration will help demonstrate the extent to which charter schools can affect the behavior of traditional public schools.

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incubate new schools, and invest in human capital, facilities, and advocacy. Eventually, NCSF plans to spur reform within Newark's traditional public schools, and provide guidance and best practices for district and charter school reform outside the city.

Some funders caution that localized initiatives like these, and others still developing across the country, will not necessarily translate to a "recipe" for a successful national expansion. But many nonetheless hope that this type of geographic concentration will help demonstrate the extent to which charter schools can affect the behavior of traditional public schools—by competing with them for students and by developing innovative practices that can be adapted within the traditional public school setting. Attempts to scale with quality—already underway in Albany, Houston, Memphis, Newark, New Orleans, and Washington, D.C.—may help reveal the tipping point at which charter school market share induces traditional public school districts to reorient their structures and practices toward student achievement.

## **Donor's Perspective**

### **Accelerating the Charter School Movement**

The Michael & Susan Dell Foundation believes high-performing charter schools offer important choices for quality education and can raise the bar for public schools overall. Concurrently, charter schools have an obligation to deliver a higher standard of student performance and financial efficiency compared to other local public schools. Our funding for charter schools focuses on three primary goals:

1. Replicating quality charter schools;
2. Building performance-management systems in charter management organizations (CMOs) that support growth while maintaining quality; and
3. Fostering charter association support organizations, at the state and national level, that are driving movement-wide quality efforts.

Over the last five years, we have committed more than \$75 million to charter schools. In 2008, we funded 14 charter management organizations that operated 137 charter schools with 37,500 students in 18 states.

### **Replicating Quality Charter Schools**

Approximately 40 percent of the foundation's current charter-grant portfolio is focused on expanding quality schools in urban areas. The foundation has developed a methodology and tool to screen current and potential charter grantees for student achievement results, leadership vision and capability, and effective resource management. The tool helps us identify areas of strength and challenge, call out best practices, and target our funding. The tool also generates performance comparisons to host districts, the neighborhood campus, and other high-performing CMOs, both regionally and nationally.

Perhaps the most instructive aspect for grantees is seeing their performance relative to other high-performing charter organizations, rather than the typical comparisons made locally or state-wide. For example, the comparison on home office expenditures has been a particularly useful benchmark for growing CMOs.

From our analysis we know that 54 percent of the charter schools we fund improved their performance from 2006 to 2007 by an aver-

age of 10 percentage points. And 78 percent outperformed their host district by an average of 17 percentage points. It also reveals that while CMOs perform consistently well with fewer than five schools, academic performance becomes more variable as CMOs grow to more than five. This finding in particular has compelled us to complement expansion funding with strong performance-management systems.

### **Building Performance-management Systems**

The underpinning of quality growth for charter school organizations is a strong performance-management system, the implementation of which accounts for more than 50 percent of our current portfolio.

Performance management is a best-practice approach to fostering a culture dedicated to accountability, collaboration, and information sharing by using technology to gather, analyze, and report information. Designed to improve the academic performance of students, performance management provides administrators and teachers with insight into what's working and what's not, including relevant, timely information from the classroom to the boardroom—and the family living room.

Performance management means moving beyond the personalities that built an organization to a more systematic way of equipping each person with the information, skills, and incentives to predictably drive organizational impact. YES Public Schools and KIPP Austin Public Schools were our first grantees to launch comprehensive performance-management initiatives. Over the last year, each organization has defined a dynamic scorecard with predictive student indicators designed to improve academic performance. They have also defined a process of data inquiry and data-driven decision-making which creates routine opportunities for teachers, principals, and CMO staff to discuss student data and create action plans. Finally, each has defined a technology roadmap to streamline and automate the collection, analysis, and dissemination of data. The foundation believes that performance-management efforts like these are essential to sustaining high student performance as CMOs grow.

### **Fostering Movement-wide Quality**

The Michael & Susan Dell Foundation recognizes that, in order to raise the bar in public education, the charter sector must proactively address performance within its ranks. We therefore fund and actively participate in efforts to implement meaningful definitions of quality. At the state level, organizations such as the California Charter Schools Association and the Texas Charter Schools Association are critical to serving the diverse needs within the charter sector. These organizations define quality standards for charter schools, deliver services to the membership that improve academic impact and operational efficiency, and advocate on behalf of member schools. With the California Charter Schools Association, the foundation is funding ZOOM! Data Source, a market-leading online data tool and customized training platform that improves data-driven decision-making in order to increase student achievement in charter schools. To date, nearly 200 charter schools across California have signed on as participants.

At the national level, we are active participants in the work of the **Building Charter School Quality Consortium**, a partnership of quality institutions that is working to help charter school operators and authorizers strengthen their performance management practices. We believe this effort to define quality and make it an operational reality is essential to the future of the charter sector and providing a high-quality education to students.

*This sidebar was composed by Zeynep Young (portfolio director, Texas), Lory Pilchik (portfolio director, U.S. Education), and Lori Fey (senior grant officer), all of the Michael & Susan Dell Foundation.*



## Chapter IX: Eleven Big Ideas in Need of Support

Many donors are getting involved in the effort to take the charter sector to the next level: scaling with excellence. But there remain many unfunded projects which hold enormous promise for further gains. Here is a list of some of the big ideas that are still in need of support.

### **Idea 1: Leverage charter schools as the leading edge of human capital reform.**

Charter schools enjoy flexibility and independence and operate on the assumption of accountability and competition. For that reason, charters are ideally situated to serve as the leading edge of teacher and school leader effectiveness. Donors can help the charter sector capitalize on the opportunity.

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Charters are ideally situated to serve as the leading edge of teacher and school leader effectiveness. Donors can help.

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One idea: create a venture philanthropy fund that would underwrite applied research and development by investing in innovative ideas along all links of the human capital chain. These investments would take advantage of the freedoms that charter schools enjoy to implement the most promising human capital practices for maximizing teacher and leader effectiveness. The fund could, for example, either support research on, or underwrite the implementation of, the use of value-added data to evaluate teachers, differentiated pay tied to performance, and strategic staffing related to class size.

Another idea: create a national center that attracts and captures talent for every level of leadership in the charter sector. Reform-minded donors are currently seeding leaders in a variety of programs: Broad Fellows, New Leaders, BES principals, KIPP Fisher Fellows. The next step is to take the principle nationally by constructing a national campus that includes four to six model schools, each with different delivery systems. Donors could help purchase a small, struggling college and turn it into the best principal and C-level training institution on the planet. After all, the biggest obstacle to achieving quality at scale is finding the right leadership. It would

be a genuinely useful achievement to create a school leader college that gets the best, makes them better, and sends them off to top-notch charter schools.

A final idea: donors can help the charter sector take advantage of its flexibility to explore alternatives to finding more people. They could, for instance, experiment with funding the deployment of a few, excellent teachers to significantly larger classes. As Chester E. Finn Jr., president of the Thomas B. Fordham Institute, observed in the *Wall Street Journal*, “During the past half-century, the number of pupils in U.S. schools grew by about 50 percent, while the number of teachers nearly tripled.... If the teaching force had simply kept pace with enrollments, school budgets had risen as they did, and nothing else had changed, today’s average teacher would earn nearly \$100,000, plus generous benefits. We’d have a radically different view of the job, and it would attract different sorts of people.” Similarly, donors could help the charter sector underwrite the development of personalized learning software, especially for hard-to-staff courses. There are much greater efficiencies to be found in K-12 human capital, and the philanthropic community is well-positioned to help the charter sector find and implement them.

### **Idea 2: Identify and support promising charter leaders from minority communities.**

Many aspiring minority leaders lack access to the resources needed to start up a charter school, let alone a new CMO. Sometimes they

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This talent pool represents a largely untapped reservoir of inspired leadership.

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lack financing; sometimes they lack social capital. Often, they lack both. This talent pool represents a largely untapped reservoir of inspired leadership. Partners For Developing Futures is a social venture investment fund, created and incubated by

the Charter School Growth Fund in 2008. Partners invests in high-potential, early stage minority-led charter schools by finding and cultivating promising charter leaders from minority communities, with a special focus on bringing new actors into the charter school sector. It is a step in the right direction, but more needs to be done. Donors may want to consider priming the pump by creating a tar-

geted investment fund that would find, cultivate, and place promising charter leaders from minority communities. The fund could also help start up high-quality charter groups led by minority CEOs, in order to increase the number and visibility of African-American, Latino, and other minority charter school leaders.

### **Idea 3: Create a multibillion-dollar facilities fund.**

CMOs spend too much time worrying about facilities: Every minute a school leader spends thinking about infrastructure is a minute he or she is not focused on serving students. There is an urgent need for a national facilities financing strategy that would allow CMOs to concentrate on the work of creating world-class students rather than acquiring and maintaining properties.

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Every minute a school leader spends thinking about infrastructure is a minute he or she is not focused on serving students.

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To that end, donors may want to think about funding a multi-billion-dollar facilities fund for high-performing (or high-promise) charter schools. The fund could in turn leverage foundation grants, PRIs, and federal credit enhancements to create a national (or super-regional) pool for facilities financing. If executed properly, the fund could even consider planning joint facilities—with a health clinic, for instance, or community center on the same footprint as the charter school. Such collaboration would provide a genuine “community resource,” with certainty about buildings and facilities, but with a clear distinction between the service providers and their areas of expertise.

Another strategy might involve building the capacity of charter-holding organizations (Civic Builders, for example) to support facilities development in priority markets, and expand the use of available incentivized tools (New Market Tax Credits, for instance). Donors could create a facilities development holding company—a national nonprofit entity that develops charter school facilities for the best CMOs. The company could do more than provide loans. It could guide practitioners as they develop facilities, from beginning to end, and all the way through to ownership. CMOs would then be

able to lease the facilities for 30 years at 80 percent of the market rate. The below-market lease rate would be of tremendous value to CMOs, while the development and holding company would still be in a position to increase in value and develop other projects.

**Idea 4: Fund the development of a “virtual” shared back office platform.**

No matter how well a charter school serves its students, if its back office is a problem, it will never achieve its full potential. Today, the potential of many charters is being held up by back-end considerations like payroll, accounting, and auditing. In response, individual charter schools and CMOs are developing their own practices and standards to help them manage their schools and operations. Their efforts, however, are highly redundant. Donors

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Donors could help achieve an economy of scale by funding the aggressive exploration of “virtual” back office solutions.

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could help achieve an economy of scale by funding the aggressive exploration of “virtual” back office solutions, online programs and products that would help charter schools operate more efficiently by streamlining their budgetary, accounting, and finance practices. As an added benefit, such systems could also help reform-minded superintendents looking for similar solutions.

**Idea 5: Devise sector-wide achievement metrics.**

Charter schools across the country are working on creating systems and platforms to measure student academic achievement, gauge school performance, and provide data for sustained classroom improvement. Unfortunately, their efforts have been largely piecemeal. According to many funders, what the charter sector needs as it continues to ramp up its efforts is a national common evaluation and quality framework for charter schools, including shared definitions of success and methods of assessment. The framework could be used not only across the investment community, but also by state associations, authorizers, parents, school districts, and CMOs. Some donors, like the Michael & Susan Dell Foundation, have begun studying the issue, but there is plenty of space for additional philanthropic exploration.

### **Idea 6: Incubate school-turnaround organizations.**

Under NCLB, if a school does not make “adequate yearly progress” for five years in a row, then its district must restructure the school in one of five ways: reopen it as a charter school; replace its staff; contract with a private management company to operate it; allow the state to take it over; or implement another major governance change. As more and more schools consistently fail to meet adequate yearly progress, many districts are exploring the controversial option of closing these schools and reopening them as charters.

But there are vast differences between creating a charter school from scratch and reopening a troubled school as a charter. This is a space ripe with both opportunities and pitfalls—for the charter sector in particular, and for school reform generally. Donors could help discover, document, and disseminate best practices—in terms of both policy and school-level operations—in this niche educational sector, and could also incubate and support organizations that are able to successfully take advantage of this unique policy opportunity.

### **Idea 7: Ensure equal access for charter schools in the pre-K sector.**

Many urban communities (Washington, D.C., for example) have begun to provide a moderate level of per-pupil funding for three- and four-year-olds. As more foundations and policymakers advocate greater access and funding for pre-K—often without sufficient attention to school quality, human capital, autonomy, parental choice, and accountability—charter schools are poised to lead the way in shaping the pre-K landscape and setting the standard in pre-K for both choice and accountability. (In fact, such a philanthropic experiment could be an exercise in building a system that avoids replicating the dysfunctions of the current K-12 education system.) Where state-funded pre-K exists, and where policy barriers prevent charter schools from playing a role—New York, for example—donors may want to fund advocacy efforts to allow for charter school participation. Where existing pre-K programs already allow charter schools to participate, donors can, and should, use charter schools to demonstrate how to “do pre-K right.”

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Donors can, and should, use charter schools to demonstrate how to “do pre-K right.”

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**Idea 8: Identify and support promising models to serve the hardest-to-reach student populations, including students with special needs, drop-outs, and juvenile offenders.**

To date, most all of the support for the charter sector has been concentrated on the national networks of high-performing charter schools, like KIPP, Achievement First, Uncommon Schools, and Green Dot. These schools target a general population of students, albeit a general population from low-income and minority communities. As a result, very little attention and national philanthropic support have gone to deliberately identifying and supporting schools

that target the hardest-to-reach students—special education, for example, or juvenile offenders, or English-language learners. There is an opening here for entrepreneurial donors to identify and support promising models for these at-risk populations. Those models could, in turn, inspire the same kind of replication efforts that have so far gone into creating schools for general education students. From the

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For hard-to-reach students, charter schools are ideally positioned to innovate and provide alternative educational options that work when the traditional system fails.

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perspective of the charter sector, if donors can create and scale schools that serve the truly hardest to serve, they will have knocked down one of the few legitimate critiques of charter schools, by proving that charter schools can truly serve all children well.

Take New York City, for example, where it is estimated that 138,000 young people between the ages of 16 and 21 are over-age and under-credited (meaning that they are at least two years off-track, relative to age and credit accumulation, from earning a diploma). Roughly 70,000 of these over-age, under-credited students are still in school (the other 68,000 have dropped out altogether)—a population that, on its own, would be the nation's sixth-largest high school district. This student population is especially hard to reach. For such students, charter schools are ideally positioned to innovate and provide alternative educational options that work when the traditional system fails.

### **Idea 9: Harness charter school flexibility to create a viable curriculum-development sector.**

Curricular standards in American K-12 education are a disgrace, a problem which afflicts the charter schools every bit as much as traditional district schools. There are a number of reasons for the lack of high-quality curricula—from abstract arguments over the nature of knowledge to the practical economics of the textbook industry—but the end result is the same. American students are not offered a well-developed curriculum, in either the liberal arts or math and science.

This defect creates an opportunity for the charter school sector to take advantage of its latitude for independent action. Donors can help devise and distribute strong,

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Donors can help devise strong, content-based curricular materials, mapped to high standards, for charter schools to implement.

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content-based curricular materials, ones mapped to high standards, for charter schools to implement (materials which could easily be adopted by traditional district public schools). It is a crucial and often-ignored component of K-12 education: curriculum is what you put between students and teachers.

### **Idea 10: Research the charter sector’s “known-unknowns.”**

Experts in school reform recognize a basic truth: there is a great deal they know they do not know. Donors can substantially increase the knowledge base by supporting research into some of the charter sector’s “known-unknowns.” One big question that experts in the field believe is ripe for much closer exploration:

- What makes great charter school leaders tick? It is widely known that in any charter school, especially a new start-up, a critical factor in its success—or failure—is the quality of its leaders. For decades, private industry and the military have been using a well-honed set of techniques to pinpoint the characteristics of people effective in a given leadership role, and then using that knowledge to do a dramatically better job of recruiting, selecting, and developing leaders. Donors could fund a rigorous study, ideally conducted by researchers who have developed similar models for *Fortune* 500 companies and

large government agencies, to identify the competencies that distinguish excellent charter school founders from others. And they could support a substantial effort to put the results in the hands of every charter school authorizer, board member, CMO staffer, funder, and anyone else involved in finding the next wave of great charter school leaders.

Of course, there are many other questions that require further research. Several examples might include:

- Why do charter school teachers unionize? What happens to the schools when they do? How do thin charter contracts compare to traditional teachers' union contracts?
- How can authorizers close ineffective charters with minimal pain to students? What can states do to ensure that authorizers close low-performing charters?
- How can charter schools become more productive by making more effective tradeoffs between teacher salaries and use of instructional technology?

### **Idea 11: Identify and cultivate a pool of charter-friendly policy leaders.**

At any given time, there are hundreds of positions of real influence within the American K-12 educational system. These include White House educational specialists, Congressional staffers with a focus on K-12 education, and sub-cabinet officers at the U.S. Department of Education; special advisors to governors, state legislative committees, and executives at state-level departments of education; executive leaders at large, urban school districts; and key program officers at large, national foundations. Of course, the charter sector as a whole will be much better off if as many of these positions as possible are filled by charter-friendly people with a keen focus on quality. To date, however, there is no formal or informal system for tracking job openings and available, charter-friendly candidates. This has created a major strategic opening for donors to experiment with ways to keep tabs on positions of real policymaking influence—and the forward-thinking, charter-friendly candidates who should fill them.

## Appendix A: Projects Referenced

### Academy of Math and Science

1557 W. Prince Rd.  
Tucson, AZ 85705  
520.293.2676  
amstucson.org

### Achievement First

790 E. New York Ave.  
Brooklyn, NY 11203  
718.774.0906  
achievementfirst.org

### Alain Locke Charter Academy

3141 W. Jackson Blvd.  
Chicago, IL 60612  
773.265.7230  
alainlocke.org

### All Children Matter

146 Monroe Center, NW  
Suite 900  
Grand Rapids, MI 49503  
616.776.5440  
allchildrenmatter.org

### Alliance for College-Ready Public Schools

2023 S. Union Ave.  
Los Angeles, CA 90007  
213.943.4930  
laalliance.org

### American Enterprise Institute

1150 17th St., NW  
Washington, DC 20036  
202.862.5800  
aei.org

**Amistad Academy**

407 James St.  
New Haven, CT 06513  
203.773.0390  
achievementfirst.org

**Aspire Public Schools**

1001 22nd Ave.  
Oakland, CA 94606  
510.434.5000  
aspirepublicschools.org

**Atlantic Legal Foundation**

2039 Palmer Ave.  
Suite 104  
Larchmont, NY 10538  
914.834.3322  
atlanticlegal.org  
defendcharterschools.org

**Beginning with Children Charter School**

11 Bartlett St.  
Brooklyn, NY 11206  
718.388.8847  
bwccschool.org

**Black Alliance for Educational Options**

888 16th St., NW  
Suite 800  
Washington, DC 20006  
202.429.2236  
baeo.org

**Bright Star Schools**

2636 Mansfield Ave.  
Los Angeles, CA 90016  
323.954.9957  
brightstarschools.org

**Brighter Choice Charter School (For Girls)**

250 Central Ave.  
Albany, NY 12206  
518.694.4100  
brighterchoice.org

**Brighter Choice Charter School (For Boys)**

116 North Lake Ave.  
Albany, NY 12206  
518.694.8200  
brighterchoice.org

**Broad Residency in Urban Education**

10900 Wilshire Blvd.  
Los Angeles, CA 90024  
310.954.5080  
broadresidency.org

**Building Charter School Quality Consortium**

Hoover Institution  
434 Galvez Mall  
Stanford, CA 94305  
650.725.3431  
bcsq.org

**Building Excellent Schools Fellowship**

262 Washington St.  
7th Floor  
Boston, MA 02108  
617.227.4545  
buildingexcellentschools.org

**Building Hope**

910 17th St., NW  
Suite 1100  
Washington, DC 20006  
202.457.1999  
buildinghope.org

**California Charter Schools Association**

250 E. 1st St.  
Suite 1000  
Los Angeles, CA 90012  
213.244.1446  
myschool.org

**Center City Public Charter Schools**

7 New York Ave., NE  
Suite 300  
Washington, DC 20002  
202.589.0202  
centercitypcs.org

**Center for Education Reform**

910 17th St., NW  
Suite 1120  
Washington, DC 20006  
800.521.2118  
edreform.com

**Center for Research on Education Outcomes (CREDO)**

Hoover Institution  
434 Galvez Mall  
Stanford, CA 94305  
650.725.3431  
credo.stanford.edu

**Cesar Chavez School Network**

2500 W. 18th St.  
Pueblo, CO 81003  
719.295.1623  
ccschoolnetwork.org

**Chandler Preparatory Academy**

1251 E. Southern Ave.  
Tempe, AZ 85282  
480.839.3402  
chandlerprep.org

**Chicago International Charter School**

228 S. Wabash Ave.  
Suite 500  
Chicago, IL 60604  
312.651.5000  
chicagointl.org

**Civic Builders**

160 Broadway  
East Building  
Suite 900  
New York, NY 10038  
212.571.7260  
civicbuilders.org

**Colorado League of Charter Schools**

725 S. Broadway  
Suite 7  
Denver, CO 80209  
303.989.5356  
coloradoleague.org

**Connecticut Coalition for Achievement Now (ConnCAN)**

85 Willow St.  
Suite A  
New Haven, CT 06511  
203.772.4017  
conncan.org

**Core Knowledge Foundation**

801 E. High St.  
Charlottesville, VA 22902  
434.977.7550  
coreknowledge.org

**Credit Enhancement Program of the U.S. Department of Education**

400 Maryland Ave., SW  
Washington, DC 20202  
800.USA.LEARN  
ed.gov/programs/charterfacilities/index.html

**DC Preparatory Academy**

707 Edgewood St., NE  
Washington, DC 20017  
202.645.4590  
dcrep.org

**Democrats for Education Reform**

24 W. 46th St.  
Suite 4  
New York, NY 10036  
212.763.8922  
dfer.org

**District of Columbia Charter School Special Education Cooperative**

1488 Newton St., NW  
Washington, DC 20010  
202.903.6883  
dcchartercoop.org

**ECO Program**

Alliant International University  
10455 Pomerado Rd.  
San Diego, CA 92131  
858.635.4000  
alliant.edu

**Education for Change**

303 Hegenberger Rd.  
Suite 301  
Oakland, CA 94621  
510.568.7936  
efcps.org

**Education Pioneers**

300 Frank H. Ogawa Plaza  
Suite 232  
Oakland, CA 94612  
510.893.4374  
educationpioneers.org

**Education Reform Now**

24 W. 46th St.  
Suite 4  
New York, NY 10036  
212.763.8922

**Education Sector**

1201 Connecticut Ave., NW  
Suite 850  
Washington, DC 20036  
202.552.2840  
educationsector.org

**EdVoice Foundations, Inc.**

1107 9th St.  
Suite 730  
Sacramento, CA 95814  
916.448.3868  
edvoice.org

**Excellence Boys Charter School of Bedford Stuyvesant**

225 Patchen Ave.  
Brooklyn, NY 11233  
718.638.1830  
uncommonschoools.org

**ExED**

11858 La Grange Ave.  
Second Floor  
Los Angeles, CA 90025  
310.394.1152  
exed.net

**Thomas B. Fordham Institute**

1016 16th St., NW  
8th Floor  
Washington, DC 20036  
202.223.5452  
edexcellence.org

**Friendship Public Charter Schools**

120 Q St., NE  
Suite 200  
Washington, DC 20002  
202.281.1700  
friendshipschools.org

**Georgia Charter Schools Association**

600 W. Peachtree St., NW  
Suite 1555  
Atlanta, GA 30308  
404.835.8900  
gacharters.org

**Great Hearts Academies**

2020 N. Arizona Ave.  
Suite G-62  
Chandler, AZ 85225  
480.899.9181  
greatheartsaz.org

**Green Dot Public Schools**

350 S. Figueroa St.  
Suite 213  
Los Angeles, CA 90071  
213.621.0276  
greendot.org

**Harlem Success Academy 1**

34 W. 118th St.  
3rd Floor  
New York, NY 10026  
646.277.7170  
harlemsuccess.org

**Henry Ford Academy**

20900 Oakwood Blvd.  
P.O. Box 1148  
Dearborn, MI 48124  
313.982.6200  
hfacademy.org

**High Tech High**

2861 Womble Rd.  
San Diego, CA 92106  
619.243.5000  
hightechhigh.org

**Houston A+ Challenge**

1415 Louisiana St., Box 9  
Suite 3250  
Houston, TX 77002  
713.658.1881  
houstonaplus.org

**IDEA Public Schools**

505 Angelita Dr.  
Suite 9  
Weslaco, TX 78596  
956.377.8000  
ideapublicschools.org

**Illinois Network of Charter Schools**

20 E. Jackson Blvd.  
Suite 1300  
Chicago, IL 60604  
312.235.0798  
incschools.org

**Imagine Foundations Public Charter School**

4605 Brown Station Rd.  
Upper Marlboro, MD 20772  
301.952.8707  
imaginefoundationspubliccharterschool.com

**Imagine Schools**

1005 N. Glebe Rd.  
Suite 610  
Arlington, VA 22201  
703.527.2600  
imagineschools.com

**Inner City Education Foundation Public Schools**

5150 W. Goldleaf Cir.  
Suite 401  
Los Angeles, CA 90056  
323.290.6900  
icefla.org

**Inner-City Teaching Corps (ICTC)**

Execution in Entrepreneurial Schools Leadership (ExSL) Program  
UNITE  
Volunteer Teaching Corps  
300 N. Elizabeth St.  
Suite 300C  
Chicago, IL 60607  
312.491.9100  
ictc-chicago.org

**Innovative Schools Development Corporation**

100 W. 10th St.  
Suite 403  
Wilmington, DE 19801  
302.656.4737  
innovativeschools.org

**Knowledge Is Power Program (KIPP)**

KIPP Fisher Fellowship  
345 Spear St.  
Suite 510  
San Francisco, CA 94105  
415.399.1556  
kipp.org

**Leadership Public Schools**

2601 Mission St.  
9th Floor  
San Francisco, CA 94110  
415.695.0669  
leadps.org

**Learning Well**

29 E. Vermont St.  
Suite 300  
Indianapolis, IN 46202  
317.472.1473  
learningwellinc.org

**LEARN Charter School**

1132 S. Homan Ave.  
Chicago, IL 60624  
773.826.6330  
learncharter.org

**Lighthouse Academies**

1661 Worcester Rd.  
Suite 207  
Framingham, MA 01701  
508.626.0901  
lighthouse-academies.org

**Lighthouse Community Charter School**

345 12th St.  
Oakland, CA 94607  
510.271.8801  
lighthousecharter.org

**Local Initiatives Support Corporation**

501 Seventh Ave.  
New York, NY 10018  
212.455.9800  
lisc.org

**Los Angeles Parents Union**

parentrevolution.org

**Mastery Charter Schools**

35 S. Fourth St.  
Philadelphia, PA 19106  
215.922.1902  
masterycharter.org

**Mastery Learning Institute**

3112 SE Main St.  
Portland, OR 97214  
503.236.9326  
[home.teleport.com/~carthur/](http://home.teleport.com/~carthur/)

**Mind Trust**

407 N. Fulton St.  
Suite 102  
Indianapolis, IN 46202  
317.822.8102  
[themindtrust.org](http://themindtrust.org)

**Missouri Charter Public School Association**

3908 Bell St.  
Kansas City, MO 64111  
816.456.0526  
[mocharterschools.org](http://mocharterschools.org)

**National Alliance for Public Charter Schools**

1101 14th St., NW  
Suite 801  
Washington, DC 20005  
202.289.2700  
[publiccharters.org](http://publiccharters.org)

**National Association of Charter School Authorizers**

105 W. Adams St.  
Suite 1430  
Chicago, IL 60603  
312.376.2300  
[qualitycharters.org](http://qualitycharters.org)

**National Charter School Research Project**

University of Washington  
2101 N. 34th St.  
Suite 195  
Seattle, WA 98103  
206.685.2214  
[ncsrp.org](http://ncsrp.org)

**New City Public Schools**

1230 Pine Ave.  
Long Beach, CA 90813  
562.436.0689  
thenewcityschool.org

**New Leaders for New Schools**

30 W. 26th St.  
2nd Floor  
New York, NY 10010  
646.792.1070  
nlms.org

**New Schools for New Orleans**

200 Broadway St.  
Suite 108  
New Orleans, LA 70118  
504.274.3619  
newschoolsforneworleans.org

**New Visions for Public Schools**

320 W. 13th St.  
6th Floor  
New York, NY 10014  
212.645.5110  
newvisions.org

**New York City Center for Charter School Excellence**

111 Broadway  
Suite 604  
New York, NY 10006  
212.437.8300  
nycchartercenter.org

**Noble Network of Charter Schools**

1010 N. Noble St.  
Chicago, IL 60622  
773.278.6895  
noblenetworkcmo.org

**Orange County High School of the Arts**  
1010 N. Main St.  
Santa Ana, CA 92701  
714.560.0900  
ocsarts.net

**Pacific Charter School Development**  
316 W. 2nd St.  
Suite 900  
Los Angeles, CA 90012  
213.542.4700  
pacificcharter.org

**Partners for Developing Futures**  
350 Interlocken Blvd.  
Suite 390  
Broomfield, CO 80021  
303.217.8340  
partnersdevelopingfutures.org

**Partnerships to Uplift Communities**  
111 N. First St.  
Suite 100  
Burbank, CA 91502  
818.559.7699  
pucschools.org

**Perspectives Charter Schools**  
601 S. La Salle St.  
Suite 700  
Chicago, IL 60605  
773.358.6105  
perspectivescs.org

**Progressive Policy Institute**  
600 Pennsylvania Ave., SE  
Suite 400  
Washington, DC 20003  
202.546.0007  
ppionline.org

**Rice Education Entrepreneurship Program**

Jesse H. Jones Graduate School of Management  
Janice and Robert McNair Hall  
Rice University  
Houston, TX 77252  
713.348.4341  
jonesgsm.rice.edu

**Resources for Indispensable Schools and Educators (RISE)**

2601 Mission St.  
Suite 902  
San Francisco, CA 94110  
415.821.7473  
risenetwork.org

**Rocketship Education**

550 Kingsley Ave.  
Palo Alto, CA 94301  
408.286.3330  
rsed.org

**Success Charter Network**

34 W. 118th St.  
2nd Floor  
New York, NY 10026  
646.277.7170  
harlemsuccess.org

**Teach For America**

315 W. 36th St.  
7th Floor  
New York, NY 10018  
800.832.1230  
teachforamerica.org

**Teacher U**

99 University Pl.  
Seventh Floor  
New York, NY 10003  
212.228.1888  
teacheru.org

**TeachNOLA**

200 Broadway St.  
Suite 108  
New Orleans, LA 70118  
504.274.3605  
teachnola.org

**Tennessee Charter Schools Association**

511 Union St.  
Suite 740  
Nashville, TN 37219  
615.248.6401  
tncharterschools.org

**The New Teacher Project**

186 Joralemon St.  
Suite 300  
Brooklyn, NY 11201  
718.233.2800  
tntp.org

**Uncommon Schools, Inc.**

826 Broadway  
7th Floor  
New York, NY 10003  
212.844.3584  
uncommonschoools.org

**UNO Charter School Network**

954 W. Washington Blvd.  
Third Floor  
Chicago, IL 60607  
312.432.6301  
unocharterschools.org

**U.S. Chamber of Commerce**

1615 H St., NW  
Washington, DC 20062  
202.659.6000  
uschamber.com

**Victory Schools**

111 W. 57th St.  
Suite 525  
New York, NY 10019  
212.786.7900  
victoryschools.com

**YES Prep Public Schools**

6201 Bonhomme Rd.  
Suite 168N  
Houston, TX 77036  
713.574.7600  
yesprep.org



## Appendix B: Funders Referenced

### Achelis & Bodman Foundations

767 Third Ave.

4th Floor

New York, NY 10017

212.644.0322

[foundationcenter.org/grantmaker/achelis-bodman/](http://foundationcenter.org/grantmaker/achelis-bodman/)

### Ahmanson Foundation

9215 Wilshire Blvd.

Beverly Hills, CA 90210

310.278.0770

[theahmansonfoundation.org](http://theahmansonfoundation.org)

### Amar Foundation

1760 The Alameda

Suite 300

San Jose, CA 95126

408.977.7090

### Beginning with Children Foundation

575 Lexington Ave.

Suite 33

New York, NY 10022

212.750.9320

[bwcf.org](http://bwcf.org)

### Brighter Choice Foundation

116 N. Lake Ave.

Albany, NY 12206

518.694.4115

[brighterchoicefoundation.org](http://brighterchoicefoundation.org)

### Boston Foundation

75 Arlington St.

Suite 10

Boston, MA 02116

617.338.1700

[tbf.org](http://tbf.org)

**Lynde and Harry Bradley Foundation**

1241 N. Franklin Place  
Milwaukee, WI 53202  
414.291.9915  
bradleyfdn.org

**Eli and Edythe Broad Foundation**

10900 Wilshire Blvd.  
Suite 1200  
Los Angeles, CA 90024  
310.954.5050  
broadfoundation.org

**California Community Foundation**

445 S. Figueroa St.  
Suite 3400  
Los Angeles, CA 90071  
213.413.4130  
calfund.org

**Annie E. Casey Foundation**

701 St. Paul St.  
Baltimore, MD 21202  
410.547.6600  
aecf.org

**Challenge Foundation**

16415 Addison Rd.  
Suite 157  
Dallas, TX 75248  
challengefoundation.org

**Charter School Growth Fund**

350 Interlocken Blvd.  
Suite 390  
Broomfield, CO 80021  
303.217.8090  
chartergrowthfund.org

**CityBridge Foundation**

600 New Hampshire Ave., NW  
Washington, DC 20037  
citybridgefoundation.org

**Clark Foundation**

clarkfoundation.org

**Cosmos Foundation, Inc.**

9431 W. Sam Houston Pkwy. S.  
Houston, TX 77099  
713.343.3333  
cosmostx.org

**Daniels Fund**

101 Monroe St.  
Denver, CO 80206  
720.941.4422  
danielsfund.org

**Michael & Susan Dell Foundation**

P.O. Box 163867  
Austin, TX 78716  
msdf.org

**Richard M. Fairbanks Foundation, Inc.**

9292 N. Meridian St.  
Suite 304  
Indianapolis, IN 46260  
317.846.7111  
rmfairbanksfoundation.org

**Doris & Donald Fisher Fund**

1 Maritime Plaza  
Suite 1550  
San Francisco, CA 94111  
415.733.9721

**Ford Motor Company Fund**

Ford Motor Company  
P.O. Box 6248  
Dearborn, MI 48126  
800.392.3673  
[ford.com/our-values/ford-fund-community-service](http://ford.com/our-values/ford-fund-community-service)

**Henry Ford Museum**

20900 Oakwood Blvd.  
Dearborn, MI 48124  
313.982.6220  
[hfm.org](http://hfm.org)

**Gates Family Foundation**

3575 Cherry Creek North Dr.  
Suite 100  
Denver, CO 80209  
[gatesfamilyfoundation.org](http://gatesfamilyfoundation.org)

**Bill & Melinda Gates Foundation**

P.O. Box 23350  
Seattle, WA 98102  
206.709.3100  
[gatesfoundation.org](http://gatesfoundation.org)

**Greater New Orleans Foundation**

K&B Plaza  
1055 St. Charles St.  
Suite 100  
New Orleans, LA 70130  
[gnof.org](http://gnof.org)

**Charles Hayden Foundation**

140 Broadway  
51st Floor  
New York, NY 10005  
212.785.3677  
[charleshaydenfoundation.org](http://charleshaydenfoundation.org)

**Heinz Endowments**

30 Dominion Tower  
625 Liberty Ave.  
Pittsburgh, PA 15222  
412.281.5777  
heinz.org

**William and Flora Hewlett Foundation**

2121 Sand Hill Rd.  
Menlo Park, CA 94025  
650.234.4500  
hewlett.org

**Houston Endowment Inc.**

600 Travis St.  
Suite 6400  
Houston, TX 77002  
713.238.8100  
houstonendowment.org

**Jaquelin Hume Foundation**

600 Montgomery St.  
Suite 2800  
San Francisco, CA 94111  
415.705.5115

**Hyde Family Foundations**

17 W. Pontotoc  
Suite 200  
Memphis, TN 38103  
901.685.3400  
hydefamilyfoundations.org

**James Irvine Foundation**

575 Market St.  
Suite 3400  
San Francisco, CA 94105  
415.777.2244  
irvine.org

**Joyce Foundation**

70 W. Madison St.  
Suite 2750  
Chicago, IL 60602  
312.782.2464  
joycefdn.org

**Ewing Marion Kauffman Foundation**

4801 Rockhill Rd.  
Kansas City, MO 64110  
816.932.1000  
kauffman.org

**Kern Family Foundation**

W305 S4239 Brookhill Rd.  
Waukesha, WI 53189  
262.968.6838  
kffdn.org

**Marcus Foundation**

1266 W. Paces Ferry Rd.  
Suite 615  
Atlanta, GA 30327  
404.240.7700

**MCJ and Amelior Foundation**

310 South St.  
Morristown, NJ 07960  
973.540.9148

**Newark Charter School Fund**

59 Lincoln Park  
Suite 300  
Newark, NJ 07102  
973.733.2285  
ncsfund.org

**NewSchools Venture Fund**

49 Stevenson St.  
Suite 575  
San Francisco, CA 94105  
415.615.6860  
newschools.org

**Prudential Financial**

1 Corporate Dr.  
Shelton, CT 06484  
prudential.com

**Pumpkin Foundation**

575 Lexington Ave.  
Suite 33rd F  
New York, NY 10022

**Riordan Foundation**

10900 Wilshire Blvd.  
Suite 320  
Los Angeles, CA 90024  
310.824.1570

**Robertson Foundation**

robertsonfoundation.org

**Robin Hood Foundation**

826 Broadway  
9th Floor  
New York, NY 10003  
robinhood.org

**Rodel Charitable Foundation**

6720 N. Scottsdale Rd.  
Suite 380  
Scottsdale, AZ 85253  
480.367.2920  
rodelfoundationaz.org

**Rodel Foundation of Delaware**

100 W. 10th St.  
Suite 704  
Wilmington, DE 19801  
302.504.5241  
rodelfoundationde.org

**Rogers Family Foundation**

10 Clay St.  
Suite 200  
Oakland, CA 94607  
510.899.7930

**Ronald Simon Family Foundation**

620 Newport Center Dr.  
12th Floor  
Newport Beach, CA 92660  
949.270.3644  
rmsff.org

**Sallie Mae Fund**

12061 Bluemont Way  
Reston, VA 20190  
703.810.3000  
thesalliemafund.org

**The Reinvestment Fund**

718 Arch St.  
Suite 300 North  
Philadelphia, PA 19106  
215.574.5800  
trfund.com

**Tiger Foundation**

101 Park Ave.  
New York, NY 10178  
212.984.2565  
tigerfoundation.org

**Victoria Foundation**

946 Bloomfield Ave.  
Glen Ridge, NJ 07028  
973.748.0016  
victoriafoundation.org

**Walton Family Foundation**

P.O. Box 2030  
Bentonville, AR 72712  
479.464.1570  
waltonfamilyfoundation.org

**Weingart Foundation**

1055 W. 7th St.  
Suite 3050  
Los Angeles, CA 90017  
213.688.7799  
weingartfnd.org

## The Philanthropy Roundtable

The Philanthropy Roundtable is a national association of individual donors, corporate giving officers, and foundation trustees and staff. The Roundtable attracts philanthropists who benefit from being part of an organization dedicated to helping them achieve their charitable objectives. In addition to offering expert advice and counsel, the Roundtable puts donors in touch with peers who share similar concerns and interests. Members of the Roundtable gain access to a donor community interested in philanthropic strategies and programs that *actually work*.

### Mission

The mission of The Philanthropy Roundtable is to foster excellence in philanthropy, to protect philanthropic freedom, to assist donors in achieving their philanthropic intent, and to help donors advance liberty, opportunity, and personal responsibility in America and abroad.

### Guiding Principles

- Philanthropic freedom is essential to a free society.
- A vibrant private sector is critical for generating the wealth that makes philanthropy possible.
- Voluntary private action offers solutions for many of society's most pressing challenges.
- Excellence in philanthropy is measured by results, not good intentions.
- A respect for donor intent is essential for philanthropic integrity.

## Donor Services

### **Annual Meeting**

The Annual Meeting is The Philanthropy Roundtable's flagship event. Donors from across the country meet to share ideas, strategies, and best practices, and hear from America's premier experts in private innovation and forward-thinking policy.

### **Regional Meetings**

The Roundtable's programs and services for donors include regional meetings and dinners, held in different cities throughout the year, that bring donors together to discuss issues of common concern. Many donors find that these smaller, more intimate meetings enable them to better network with peers who share similar interests.

### ***Philanthropy***

The Roundtable's quarterly magazine is "must reading" among donors committed to freedom, opportunity, and personal responsibility. Each issue offers donors insights on topics of significance in the philanthropic world, focuses on broad strategic questions in line with our principles, and provides real guidance and clear examples of effective philanthropy.

### **Guidebooks**

The Roundtable's guidebooks are in-depth examinations of the principled and practical aspects of charitable giving. Our guidebooks connect donors with the best information available for achieving philanthropic excellence. The Roundtable publishes new guidebooks every year and maintains a library of past publications for members to access.

### **Alliance for Charitable Reform**

The Roundtable works on Capitol Hill and around the country to protect the freedom and diversity of philanthropic organizations. Our Alliance for Charitable Reform has played a critical role in stopping the enactment of legislation harmful to grantmaking foundations.

### **Breakthrough Groups**

The Philanthropy Roundtable's Breakthrough Groups on **K-12 Education, Conservation, Higher Education, National Security, and Helping People to Help Themselves**—all subjects where we think philanthropy can achieve dramatic breakthroughs over the next decade.

### **Consulting and Referral Services**

Members of the Roundtable benefit from the insights and experience of their peers. Many of our members have agreed to serve as informal advisors to their Roundtable colleagues. To fulfill donor interests outside of the scope of our mission and activities, the Roundtable collaborates with other philanthropic-service organizations or refers donors directly to other experts.

## Becoming a Member

The Philanthropy Roundtable welcomes individual donors, foundations, corporations, donor-advised funds, venture philanthropy partnerships, and other grantmaking organizations as Members. To be eligible for membership, donors must give at least \$50,000 annually to charitable causes.

Suggested annual contributions begin at a modest level in order to encourage broad participation. However, the Roundtable depends on larger donations or grants for its continuing operations and programming. While the amount of the annual contribution is left to the discretion of each donor, members are asked to be as generous as possible in supporting the Roundtable in furthering philanthropic excellence.

*The Philanthropy Roundtable is a nonprofit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. All contributions are fully tax-deductible.*

**Select a Membership Level:** *Please detach this page and include with your payment.*

- Associates ..... \$500
- Friends ..... \$1,000
- Sponsors ..... \$5,000
- Investors ..... \$10,000
- Builders ..... \$25,000 and above

MR.

MRS.

MS.

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

FOUNDATION/COMPANY AFFILIATION \_\_\_\_\_

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CITY \_\_\_\_\_

STATE \_\_\_\_\_

ZIP \_\_\_\_\_

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- Environmental Conservation
- Higher Education
- Social Services
- Donor Intent
- Other \_\_\_\_\_





**The Philanthropy Roundtable**

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*Free copies of this guidebook are available to qualified donors.  
Nonprofit organizations may access a free pdf at [PhilanthropyRoundtable.org](http://PhilanthropyRoundtable.org).*