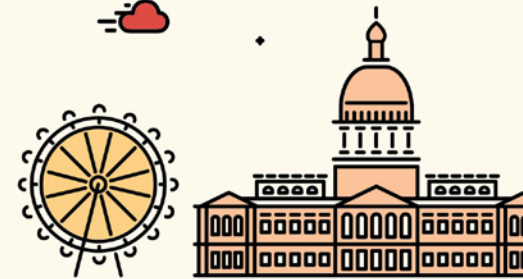




# STAND TOGETHER TO FACE THE FUTURE



2016 NACSA LEADERSHIP CONFERENCE | ATLANTA, GA

**KEY QUESTION:**

As the charter sector ages, more and more charter schools are being run by experienced entities. How should an authorizer's process look different in these cases?

*Panelists:*

*Jose Cole-Gutierrez, Los Angeles USD*

*Margo Roen, Tennessee Achievement School District*

*Jaideep Hebbar, Charter School Growth Fund*

# Why is this question important for this group to consider?

*“A generation of innovation, autonomy, and entrepreneurship in the education sector has generated oases of success around the country. Now the challenge is greater: we must not just deliver pockets but systems of excellence where excellence is the rule and not the exception.”*

*- Mike Johnston*

- Urgency around replicating quality innovations
- Charter sector has grown rapidly and expected to continue to grow at 10%/year
- Replicating charter organizations driving much of this growth
- Varying degrees of quality / consistency in scaling charters
- Others?



# Three Lessons Learned on Differentiating Processes for Growth

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*Funders and authorizers aligned around a mutual interest in the overall quality of the charter sector*



Lessons  
Learned

1

- Standardize Data Collection in the Application Process

2

- Develop Differentiated Frameworks for Evaluating Charters in Different Stages of Replication

3

- Develop Clear and Differentiated Performance Framework in Advance of Renewal

# Standardize Data Collection in the Application Process

1

## Charter School Growth Fund Application Process



- We have invested in a separate review team with significant analytic capacity
- We run a blind process
- We define a consistent set of data we need for our process which allows us to apply a rigorous and differentiated analysis for each applicant operator

## Develop Differentiated Frameworks for Evaluating Charters in Different Stages of Replication

### Academics

*Track Record*

*Model*

*Innovation*

### Growth

*Market Conditions*

*Growth Plan*

*Execution Plan*

### Leadership

*Network Team*

*Governance*

### Financials

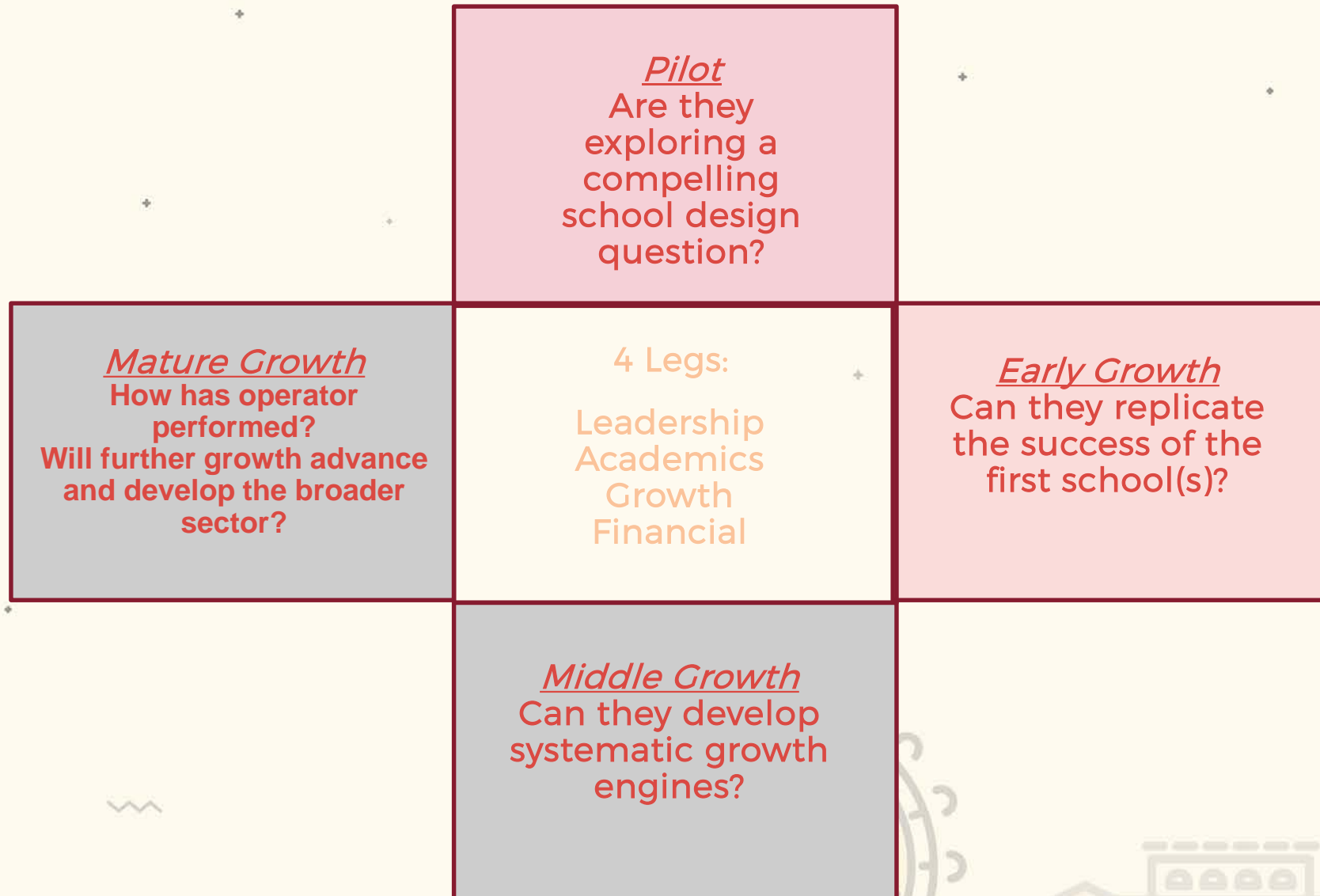
*Financial Sustainability*

*Philanthropy*

*How would your essential questions vary for operators in varying growth stages?*

## Example central questions by operator growth stage

2



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**Leadership**

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*Promising entrepreneur*

- Entrepreneur profile / scorecard
- Academic person identified: track record, vision
- Startup experience (preferably charter)
- Deep knowledge of chosen market
- Founder has growth / learning mindset

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**Academics**

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*Compelling design question*

- Academic vision pursues important design issue
- Stable starting point with sandbox for innovation
- Process for continual design, test, iterate loop

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**Growth**

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*Clear path to launch pilot school*

- Path to charter and facility
- School leader identified
- Recruitment / community engagement plan

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**Financial**

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*School unit that pencils*

- School unit model must be sustainable
- Ability to count to school fundraising need



# Can you replicate the success of your first school(s) and navigate path to 5-6 schools?

## Leadership

*Ability to make school leader to CEO transition*

- Entrepreneur profile / scorecard - TBD
- Some second person in the org we can bet on
- Key c-team hires in next 12 months identified
- Top-grading needs clear for board and team

## Academics

*Clear school model recipe*

- Track record at existing school(s)
- Clarity on academic recipe and plan for repeating
- Limited new areas and more detailed plans on these (i.e., MS -> HS, turnaround)

## Growth

*Credible execution plan to five schools*

- Year 1-2: clear path to charters, facilities, leaders
- Year 3-5: strategy for above
- Community: deep knowledge of target areas , incl. demand, politics and recruitment strategy

## Financial

*School unit pencils with margin to support CMO*

- School unit: pencils w/ 10%+ margin pre-CMO fee
- Central office: Limited focus, total # of positions to support growth more important than roles
- Network: count \$ to network operating need

# Can you develop a growth engine that opens 2-3 schools a year while maintaining academic quality?

## Leadership

### *"A" Executive Team*

- C-team grade vs. comparables
- CEO ability to elevate up; deep dive #2-3 sr. mgrs
- ID key c-team/director hires in next 12 months
- Top-grading needs clear for board and team

## Academics

### *Philosophy for loose/tight and academic systems*

- Consistency of results across existing schools
- **Academic loose/tight philosophy**
- Big academic system bets to maintain consistency
- More specifics on new areas (multi-region, model)

## Growth

### *Engine to open 3-5 schools/yr + coherent growth plan*

- Growth plan aligns with strategy for below:
  - New school greenlighting (incl. org health)
  - School leader pipeline; teacher recruitment, training
  - Facility portfolio
  - Political, community support with growth

## Financial

### *Sustainability mentality exists*

- School unit: fully capacity schools sustainable
- Central office: progress on central office sustainability
- Financial health: discipline around cash management

# Do you have track record of performance? Will further growth advance/develop the broader sector?

## Leadership

*Sector Leading Executive Team*

- Grade C-team and regional supts
- Strength of VP, Director bench

## Academics

*Results show ability to balance quality + growth*

- Consistency of results across schools , new vs. existing; limited degradation of results with growth
- College completion rates improve with each cohort

## Growth

*Engine to open 5-10 schools / yr + capacity to manage it  
Compelling vision for impact (schools + other)*

- Track record opening 2-5 schools / year
- Fuel to feed growth engine: talent development (teachers, principals, RDs), facilities, fundraising
- Systems to manage complexity of 15K+ system

## Financial

*Operator sustainable today*

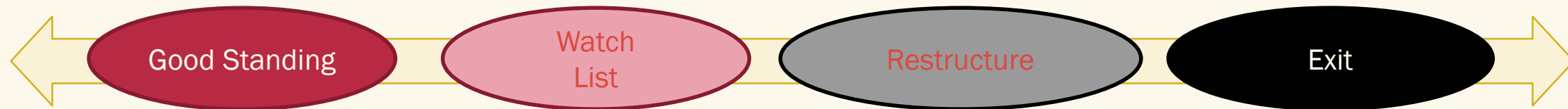
- Current sustainability of operator in no growth scenario
- Sustainability of existing school unit portfolio
- Clear financial strategy and board level metrics
- Financial model focus on “schools” business
- Ability to self-fund modest growth

# Develop Clear and Differentiated Performance Framework in Advance of Renewal

Keeping a dashboard of key leading indicators allows us to differentiate support

CMO	Leading Indicators				
	Overall	Leadership	Academic	Financial	Impact
<b>Core</b>					
CMO 1	Yellow	Yellow	Yellow	Yellow	Green 3
CMO 2	Green 3	Yellow	Green 3	Green 3	Green 3
CMO 3	Yellow	Yellow	Green 3	Green 3	Green 3
CMO 4	Green 3	Green 3	Yellow	Green 3	Green 3
CMO 5	Yellow	Yellow	Green 3	Green 3	Yellow
CMO 6	Yellow	Yellow	Green 3	Yellow	Yellow
CMO 7					
CMO 8	Yellow	Yellow	Yellow	Yellow	Green 3
CMO 9	Yellow	Green 3	Yellow	Yellow	Yellow
CMO 10	Red	Yellow	Yellow	Yellow	Red

Academic turnarounds take time; typically 12-24 months to know if turnaround is successful



CMO

- Consistent results, hits most academic goals
- CEO gets ahead of potential issues

- Results dip or vary
- CEO is accountable and has academic plan
- Urgency in execution

- Multiple years of mixed results
- CEO accountable and significantly adjusts growth plan to address issues

- Multiple years of mixed results
- CEO / leadership team not taking accountability over issues
- No credible strategy in place

Funder

- Monitor
- Support as needed

- Dig into issue w/ CEO
- Review and provide feedback on plan
- Monitor progress

- Reset investment package and milestones
- Potentially include other conditions of support

- Formally stop funding
- Lost confidence in CEO
- CMO has been given multiple changes and been informed of consequences

# What is the ASD's approach to authorization & accountability?

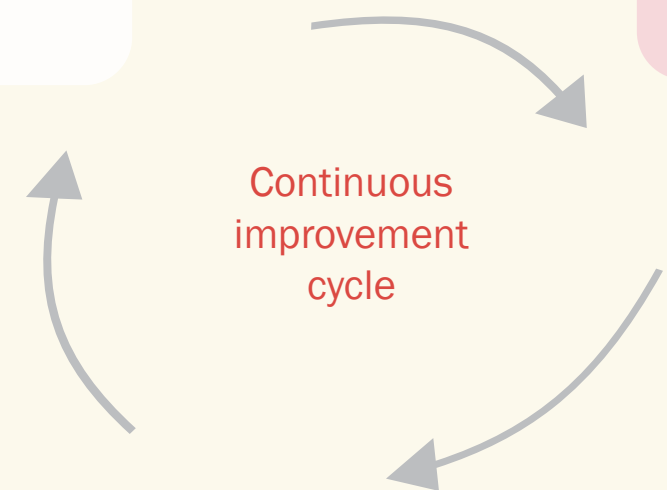
## CULTIVATION

We approve, partner and prepare high-potential school leaders with high need schools

## EMPOWERMENT

We empower school leaders with flexibility and resources to meet unique students' needs

Continuous  
improvement  
cycle



## ACCOUNTABILITY

We grow and expand schools that are meeting expectations and replace operators at a school that fail to meet performance expectations

# What is the ASD looking for in authorization?

ASD Charter Authorization builds off of NACSA'S Essential Practices, while also integrating the following strands foundational to our work:

## Mission Alignment

The ASD's charge and structure is unique, clearly defined by our top 25% mission and neighborhood school context. The authorization process focuses on mission alignment throughout the application and applicant process.

## Continuous Learning

The ASD seeks learning organizations, and our authorization process focuses in on an operator's ability to learn and make adjustments based on data.

## Capacity

Talent is a fundamental part of the ASD's strategy. ASD authorization is focused on the quality of plans as well as the organization's capacity to implement the plan, with special attention paid to network and school leadership.

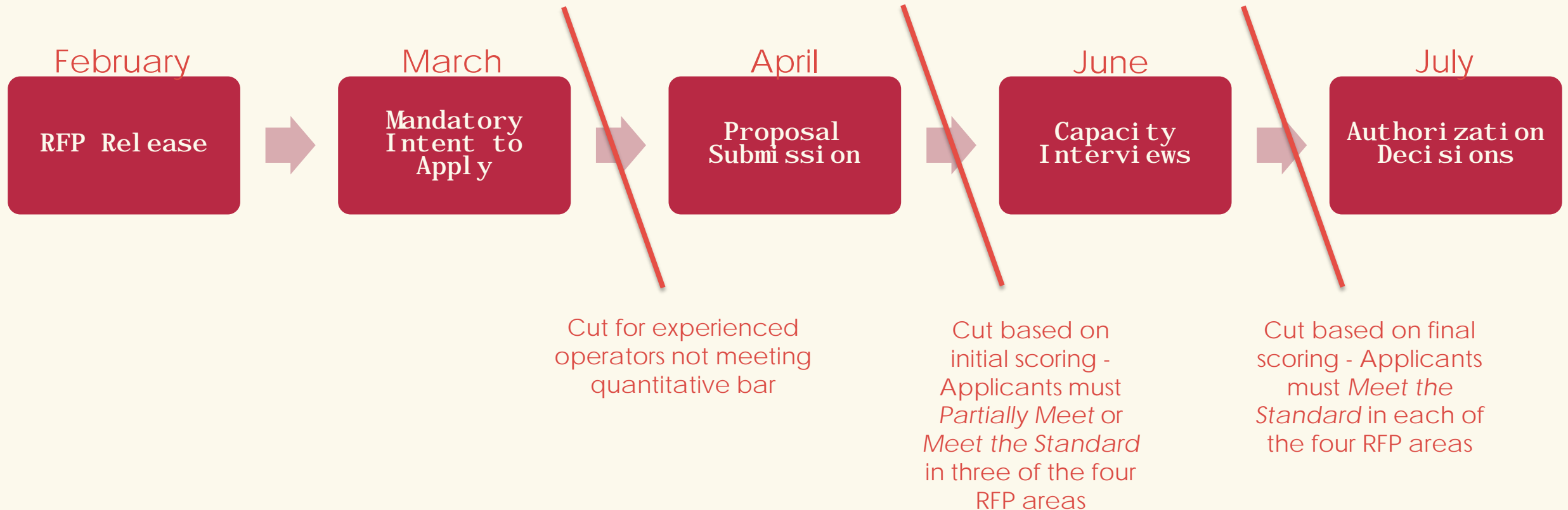
## Cohesion within Plan

The authorization process looks for and tests an applicant's/application's internal alignment. From mission to budget, and from the plan on paper through the in-person interviews, the plan and team must demonstrate cohesion and consistency.



## What is the ASD's authorization process?

Our authorization process is aligned to the needs of our portfolio and a high quality bar. There are multiple steps to gauge quality, with cuts throughout the process for applicants far from the standard. The requirements differ for new and experienced applicants.





# How does the ASD hold schools accountable?

## FINANCE

These metrics **ensure operators are financially responsible and viable**. An operator must meet 100% of financial metrics. Failure to do so would result in an automatic “Does Not Meet” for all schools.

## STUDENT AND FAMILY RIGHTS

These accountability items **ensure school compliance with significant legal obligations**. Egregious noncompliance will result in a “Does Not Meet” for all schools.

## ACADEMIC COMPOSITE SCORE

These metrics **ensure operators are on track to close opportunity gaps and are serving students well**. An operator must earn 50 points to approach, 70 points to meet, and 90 points to exceed expectations.

## SPF COMPOSITE SCORE

Does Not Meet

Approaching

Meeting

Exceeding

## How does the ASD monitor performance?

### Baseline Performance Data Review

Student Proficiency

Student Reading Level

Annual School Improvement & Special Pops Plans

### Onsite Monitoring

Enrollment Files

SPED & ELL

Fed Programs

### Midyear Performance Meetings

Student Reading Level

Student & Family Rights Compliance

### End of Year Performance Meetings

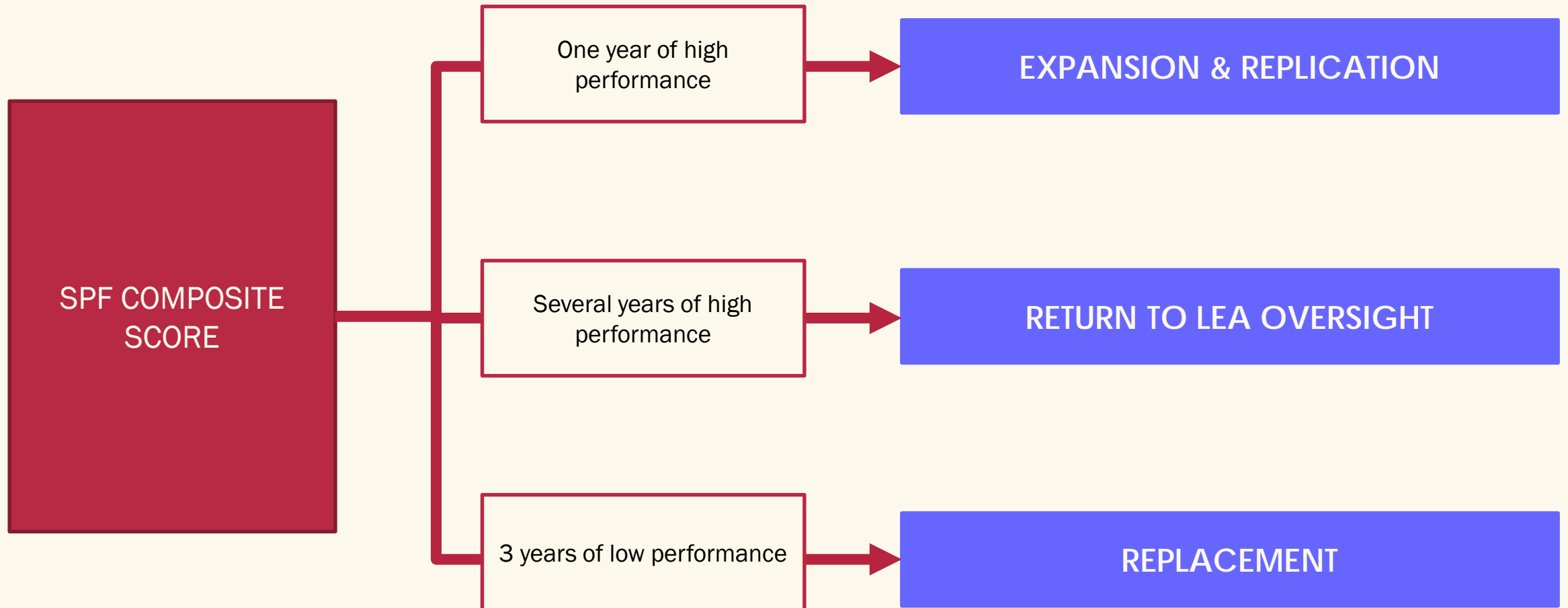
Academic Achievement & Growth

Student & Family Rights

Financial

Culture: Student & Parent

## How does the ASD use performance information to make decisions?

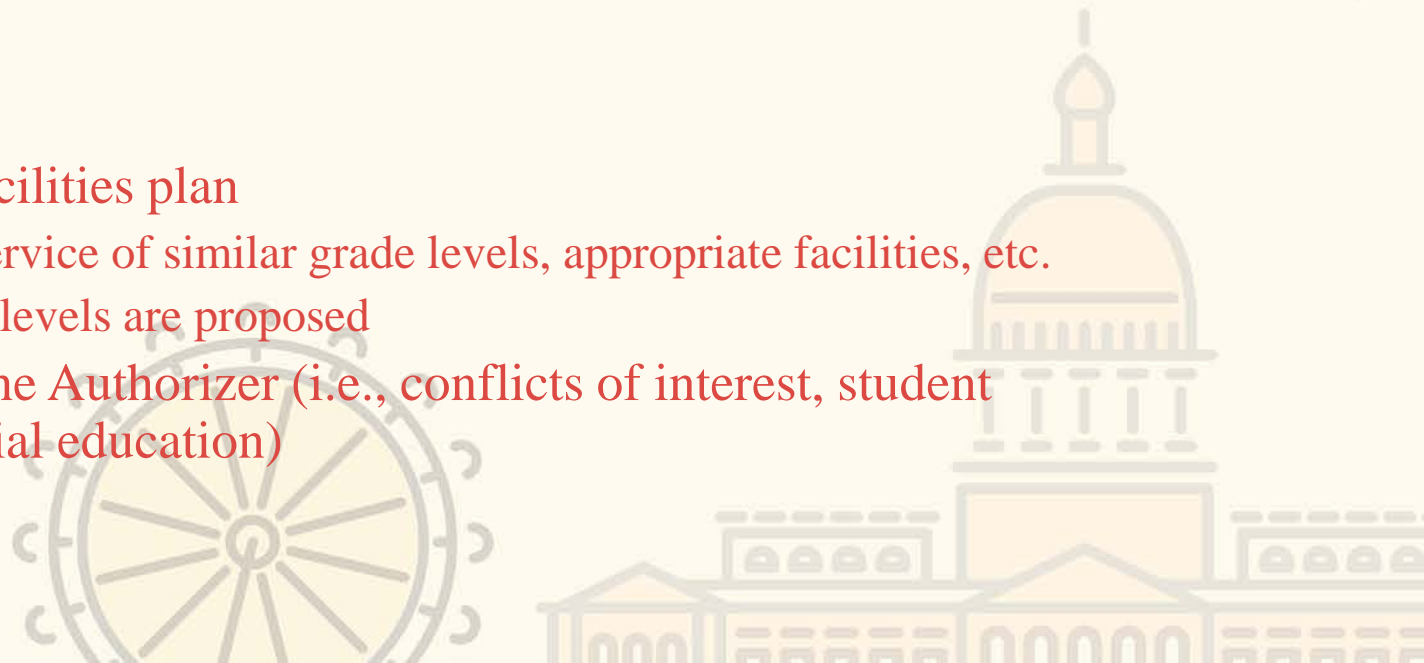


# How is authorization and accountability differentiated based on operator experience?

	Authorization	Accountability
Inexperienced Operator	<ul style="list-style-type: none"> <li>• Automatically eligible to apply</li> <li>• Authorization questions focus on school model, start-up and operations plan, and the capacity to implement the first school</li> <li>• School Leader is required by time of interview and operator must submit track-record data for that individual</li> </ul>	<ul style="list-style-type: none"> <li>• Operator incubation year and readiness monitored monthly in the 6-months leading up to launch</li> <li>• Once school is open, the academic expectations/targets are the same for all operators</li> <li>• Monitoring after year 1 of operation in the ASD is differentiated based on performance</li> </ul>
Experienced Operator	<ul style="list-style-type: none"> <li>• Must submit network track-record data to determine eligibility to apply</li> <li>• Authorization questions focus more heavily on track-record, what is being replicated, and network-level supports and staff</li> <li>• Regional Director is required by time of interview and operator must submit track-record data for that individual</li> </ul>	<ul style="list-style-type: none"> <li>• Operator readiness milestones tracked, with a higher touch if needed</li> <li>• Once school is open, the academic expectations/targets are the same for all operators</li> <li>• Monitoring after year 1 of operation in the ASD is differentiated based on performance</li> </ul>

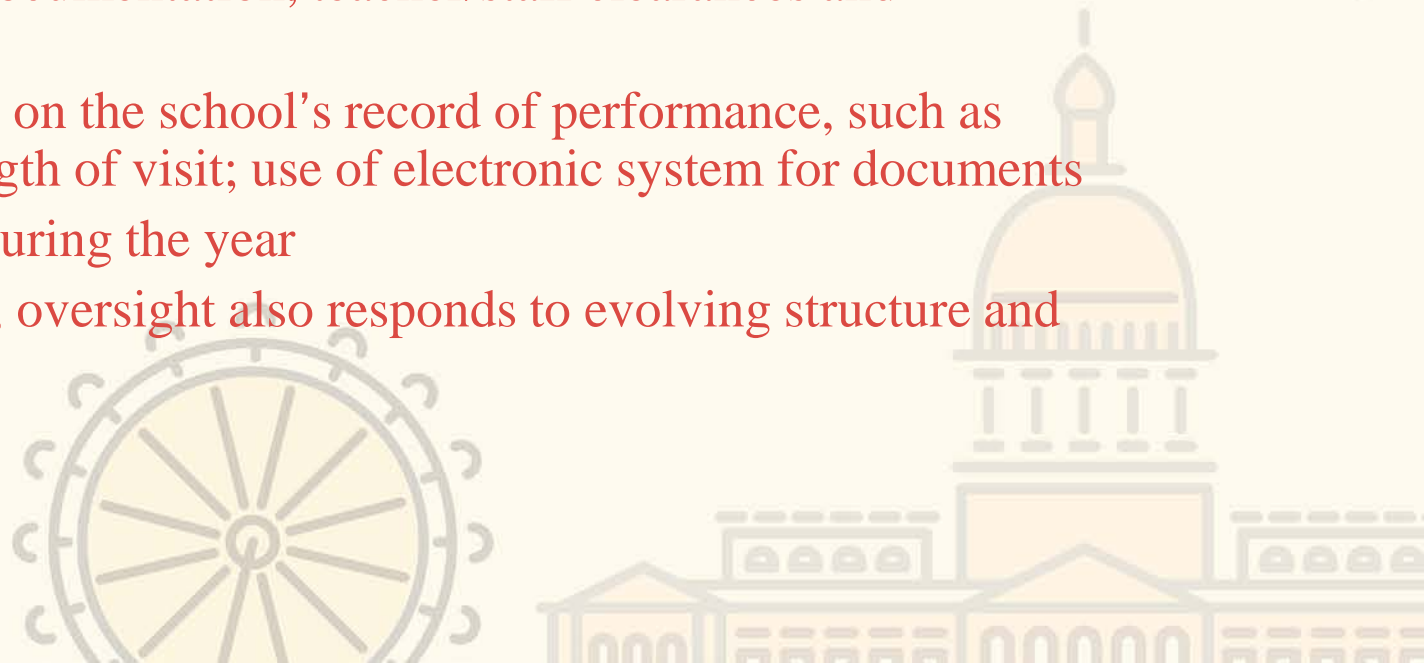
# Initial Evaluation

- Petitioners must submit all required information as part of the application process
- Staff assesses the petitioners' likeliness to succeed in implementing the program set forth in the charter petition based on the school's/organization's record of performance in their existing school(s).
  - Student achievement and educational performance
  - Governance
  - Leadership, management, and operations
  - Fiscal operations and viability
  - Fulfillment of the charter provisions
- Review proposed location, grade levels, facilities plan
  - Assess record and plan for enrollment, service of similar grade levels, appropriate facilities, etc.
  - Possible capacity interview if new grade levels are proposed
- Adherence to applicable requirements by the Authorizer (i.e., conflicts of interest, student discipline, modified consent decree for special education)



# Ongoing Evaluation and Monitoring

- All operators are visited at least once a year by staff and assessed on performance in the areas of student achievement and educational performance, governance, leadership, management, and operations, fiscal operations, and fulfillment of the charter provisions
  - Responsive and proactive oversight
  - Role of authorizing board
- All schools, regardless of length of operational history) must demonstrate compliance with key health and safety provisions (i.e., facilities documentation, teacher/staff clearances and credentials, child abuse awareness training)
- Some differentiation may may occur based on the school's record of performance, such as interviews with stakeholders and overall length of visit; use of electronic system for documents
- Staff attends board meetings periodically during the year
- As charter organization's grow and mature, oversight also responds to evolving structure and financial models of the organizations



# Renewal Decisions

- In order to recommend approval of a charter school renewal application to the LAUSD Board of Education, the Charter Schools Division must determine whether the charter school has met the requirements of applicable law
  - Minimum criteria is a floor not a ceiling for all schools
- Once a charter school is determined to be eligible for renewal under the law, the school must submit a renewal petition application that, upon review, is determined to be educationally sound, reasonably comprehensive, and demonstrably likely to be successfully implemented.
- Pursuant to the requirements of SB 1290, the District “shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to grant a charter renewal.”
  - But not the only factor...
- The District “shall consider the past performance of the school’s academics, finances, and operation in evaluating the likelihood of future success, along with future plans for improvement if any.” (5 CCR § 11966.4.)
- Take a holistic approach; encourage schools to “their their story” based on their model
  - While a CMO’s record may be reviewed, the individual school’s performance is the primary driver in renewal