

CLOSING THE ACHIEVEMENT GAP

A SERIES OF STORIES, RESULTS,
AND LESSONS LEARNED FROM
SEVEN YEARS OF
EDUCATION INVESTING BY
THE ANNIE E. CASEY FOUNDATION



CREATING QUALITY CHOICES: **CHARTERS**

THROUGH ITS EDUCATION INVESTMENTS, THE ANNIE E. CASEY FOUNDATION HELPS ENSURE THAT YOUNG PEOPLE GRADUATE FROM SCHOOL PREPARED TO SUCCEED AS ADULTS BY SUPPORTING QUALITY SCHOOL CHOICES AND STRONG SCHOOL/COMMUNITY/FAMILY CONNECTIONS.

The first charter school opened in Minnesota in 1991. Sixteen years later, more than 4,000 charter schools are up and running across the country. Forty states and the District of Columbia now have charter laws, and the number of charter schools continues to grow.

Charter schools are public schools that have more autonomy and flexibility than traditional district schools do. In exchange, charters must meet performance and fiscal goals specified in each school's contract. If a charter school fails to meet its obligations, the entity that authorized it may terminate its charter.

The Annie E. Casey Foundation has invested roughly \$12 million over the past seven years in chartering. Grants have gone to individual schools, to organizations that provide coaching and other technical assistance to charters, and to groups that work to create a favorable policy environment in which quality charter schools can operate and grow.

The Foundation has learned that charters hold great potential to close the achievement gap and help young people graduate from school ready to succeed as adults, but they also face many challenges. "It is really hard to create high-quality charter schools and scale up the enterprise," said Bruno Manno, senior associate for education at Casey. "It is much more difficult than many anticipated, but after seven years, we now have more clarity and depth of understanding about the core issues."

Major challenges include funding, facilities, and teacher supply. Under current policy arrangements, charter schools get an average of 24 percent less per-pupil funding than traditional district schools do, according to the National Alliance for Public Charter Schools. Casey's grantees are exploring and often solving these challenges in interesting and instructive ways at both the school and policy level.

This publication provides an overview of the Foundation's investments in chartering along with selected results and lessons learned. It also presents stories about two successful charter efforts and Casey's contribution to them.

Results at Individual Casey-Supported Charter Schools

Since 2000, Casey has invested in 17 individual charter schools in Atlanta, Baltimore, Philadelphia, New York, Boston, Indianapolis, Los Angeles, San Diego, and Washington, DC. These schools enroll a total of 6,110 students, of which 91 percent are ethnic minorities and 69 percent qualify for free or reduced-price lunch.

Casey-funded activities include: parent and community outreach, start-up and administrative coaching, curriculum tools for remedial students, special education assistance, start-up salary support for expansion, and after-school, weekend, and summer programs.

According to a study commissioned by the Foundation, many students in these schools have demonstrated improved outcomes over time — 81 percent showed increased achievement

“Charter schools present opportunities. They are places where energetic school leaders and teachers can innovate and create something dynamic and effective that didn’t exist before.” *Bruno Manno, Casey Foundation*



in reading, and 59 percent showed increased achievement in math, between the time that Casey started investing in the school and the end of 2006.

In addition, students in more than half of these charters outperformed their district peers, with 71 percent performing better than their district average in reading and 59 percent performing better than their district average in math.

Data that illuminate changes in the achievement gap are somewhat scarce. At the four schools for which data on relevant subgroups do exist, all made progress on closing the gap in math scores between students who qualify for free or reduced-price lunch and those who don't. Three of these four schools also made progress on closing the gap in reading scores between the same subgroups.

The study also showed that six Casey-supported schools are expanding by opening additional campuses, and three have successful programs that other schools are replicating.

Grants to Organizations that Provide Technical Assistance to Charters

Planning, Start-up, and Operations Coaching

Casey has also invested in organizations that provide start-up coaching, business services, and ongoing training to charter schools. Groups that want to start charters frequently need support to develop their vision and put together a solid application. Once they are open,

“We must build capacity overall among teachers and principals, rather than focusing on promoting one particular charter school model over others.” *Dr. Paul Hill, Center on Reinventing Public Education*



LESSONS FROM SUPPORTING CHARTER SCHOOLS

- To help charter schools improve outcomes for low-income children, support organizations that provide effective coaching and other necessary services.
- Support organizations that work to create charter-friendly state and federal policy by bringing evidence-based research to bear.
- To reach charter schools, make use of state charter associations.
- Support networks of charter schools, as well as individual charters.
- Support district efforts to learn from and collaborate with charters.
- Program-related investments (PRIs) are effective ways to maximize impact and create new school seats for low-income children.
- Charters are more likely to be effective if they are created via sound authorizing systems.
- Charters are more likely to be effective when they are subjected to a consistent and thorough accountability system.
- Districts and charters can work together to improve outcomes for low-income children.

most schools need to learn effective fundraising practices, and charter school boards, school leaders, and staff require targeted professional development.

Foundations, Inc., a Casey grantee, has successfully coached 33 new charter schools in Philadelphia, and Marquette University's Institute for the Transformation of Learning has assisted eight Milwaukee charter schools with start-up and business training. In addition, National Council of La Raza has helped 50 new charter schools serving English language learners start up in 16 states and Washington, DC.

Casey also supported a series of implementation handbooks produced by then Charter Friends National Network, an informal group of state charter school associations and resource centers. Originally distributed through state charter associations, these handbooks are available online for free from Casey's website.

Accountability Tools

Experience shows that many agencies in charge of authorizing charter schools don't know how to effectively monitor them. In Indianapolis, where the mayor is the first in the nation with the authority to grant charters, Casey has supported authorizing and accountability systems that enable the mayor authorizer to monitor school performance, tell the public how charter schools are doing, and help schools improve what they are doing to get results.

“There’s not so much drama here as in other high schools. It’s small, we all know each other. The teachers care about me and are patient.” *Jasmine Coppage, 15, Tech High Charter School*

A second Casey grantee, NewSchools Venture Fund, has created an online charter community where its grantee network can access proven school accountability tools. A third grantee, the National Alliance for Public Charter Schools, has also created an online resource that lists current charter laws and student achievement data by state, so that parents and schools can monitor school performance.

Facilities

Most charters do not get public financing to obtain and maintain school facilities, so Casey supports a variety of efforts to address this problem. In New York City, the grantee Civic Builders acquires, develops, and manages charter facilities. So far, Civic has developed nine charter facilities in the city.

The Foundation has also used a tool called a program-related investment (PRI) to attract co-investment and set up charter facilities loan funds. A PRI is an investment in the form of a loan, a loan guarantee, a line of credit, a mission-related deposit, an asset purchase, a recoverable grant, or an equity investment.

In Indianapolis, a Casey PRI consisting of a \$1 million loan guarantee convinced public, private, and nonprofit institutions to come together and create a charter facilities loan fund. The fund totals \$20 million and will support numerous school construction projects over the next five years.

Students and Teachers Realize Their Potential at KIPP DC

KIPP KEY Academy, a Casey charter grantee that serves 320 low-income students in Washington, DC, recently posted the highest middle school test scores in the city. The school has also made Adequate Yearly Progress (AYP) under the federal No Child Left Behind law four years in a row. Students who entered fifth grade in 2003 at least two grades behind in reading and math scored 79 percent proficient in math and 61 percent proficient in reading at the end of eighth grade.

KIPP KEY Academy is the flagship school in a rapidly expanding network of Knowledge Is Power Program (KIPP) schools in DC. A major factor in the school's success is the quality and dedication of its leaders and teachers, who put in 10-hour days and work at mandatory Saturday and summer schools. Teachers are given independence to use best practices, and those with the most

drive and potential have the opportunity to move into school leadership positions relatively quickly.

Susan Schaeffler, founder of KIPP KEY and KIPP DC's current CEO, worked in the public school system for nine years. When she extended the school day for her students there, her principal asked her to stop. Schaeffler quit, and KIPP came courting.

Under Schaeffler's leadership, KIPP KEY quickly reached capacity. A wait list of hundreds formed, and the organization opened a second middle school. Schaeffler tapped KIPP KEY teacher Khala Johnson to serve as principal for the new school.

Johnson had left a promising law career to become a public school teacher, but she grew discouraged during her first year in a DC district school. "It was a tough year," she said. "The kids were really far behind, and their behavior was terrible. They'd come into class fueled on soda and hot Cheetos."

Johnson heard about KIPP DC and applied to teach there. "If it weren't for KIPP, I wouldn't be teaching anymore," she said.

Casey has invested just under \$200,000 in KIPP DC since 2002 to fund community outreach, a special education coordinator, and school expansion. "Expansion could not have happened without Casey support," said Schaeffler.

KIPP DC is opening more schools and will become a self-contained K-12 school system by 2009, with capacity to serve 2,600 students.

"Expansion could not have happened without Casey support. Many donors will not provide salary support, but Casey did when we needed it." Susan Schaeffler, KIPP DC

An Atlanta Charter School Produces Strong Results

Atlanta's Tech High Charter School, which serves students who are 98 percent ethnic minority and 75 percent eligible for free or reduced-price lunch, has outscored Atlanta Public School (APS) students on every standardized test in the past three years. The school has also made Adequate Yearly Progress (AYP) under the No Child Left Behind law for four years in a row.

Based on its test scores, you'd never guess that Tech High has faced major financing and facilities challenges. Very few "start-up" charter schools exist in Georgia, in part because few can raise the money required to create and sustain the effort. Housed in a formerly vacant APS facility built in 1922, Tech High had to spend \$350,000 to get the building up to code before the school could open.

Tech High is succeeding because of local corporate leadership and influence, quality teachers with high expectations for all students, small class size, a longer school day, Saturday and summer schools, and after-school tutoring. Of equal importance, Tech High leaders have a "can do" attitude and are willing to live on the edge financially.

Tech High opened in 2004 after a group of Atlanta business and technology leaders got together and decided that they wanted to open a technology-oriented high school. Partnerships with local businesses and organizations contribute to Tech High's success. As of January 2007, Tech has 71 organizations and businesses giving cash or in-kind donations.

The school is extremely selective when it comes to hiring teachers. Many of them are second-career educators who came for real-world jobs. Early on,

the board hired a retired human resources executive from Coca-Cola to help create a customized profile of what to look for in a teacher, and that profile has paid off.

Students are thriving. At the start of the school's first year, only 10 percent of ninth graders were proficient in math and only 27 percent were proficient in reading. Three years later, 86 percent of these same students were proficient in math and 98 percent were proficient in English language arts.

Casey has invested \$400,000 in the school over four years to support planning, implementation, parent outreach, and a remedial reading program.



“The PRI and the charter facilities loan fund are a stop-gap measure. Facilities financing is a public sector issue and needs to be solved using taxpayer dollars, because charters are public schools.” *Bruno Manno, Casey Foundation*

In California, Casey used a \$1 million PRI in the form of a subordinate loan to create a partnership of co-investors that include national banks and a national insurance company to start a charter facilities financing fund. The fund totals \$30 million and will provide construction and bridge loans to schools and school developers.

Principals and Teachers

Another pressing issue for charter schools is an inadequate supply of high-quality teachers and principals. The Foundation and other co-investors have contributed to solving this problem in many different ways. Teach For America has placed 125 alumni in charter school leadership positions, with Casey and other support to its alumni network and school leadership pipeline. Another Casey grantee, New Leaders for New Schools, has placed 48 principals and 20 assistant principals in charters. A third grantee, the National Alliance for Public Charter Schools, is using Casey support to develop a “West Point” for charter school leaders and teachers.

Special Populations

Almost all charter schools need assistance to develop their capacity to serve English language learners and children with special education needs. Casey grantee National Council of La Raza provides English language learner (ELL) coaching to 100 charter schools and has created a series of handbooks on effective ELL practices.

In the area of special education, the Foundation funds the DC Public Charter School Cooperative, formed by DC charter school leaders to provide special education resources and training to its 35 member schools. The Coop has trained more than 300 charter teachers to better serve children with disabilities, and it also helps schools establish Medicaid provider status and get reimbursed for special education services. The Coop model has been replicated in six other jurisdictions.



HOW CASEY MADE A DIFFERENCE

- Casey supported a variety of activities and programs in 17 charter schools to improve outcomes for the children they serve, rather than funding only one kind of activity.
- The Foundation paid for coaching and other services that charter schools couldn't otherwise afford.
- Casey supported the development of effective and replicable authorizing and accountability systems.
- The Foundation funded analysis of charter policy so that laws could be revised to be more effective.
- Casey funded research on issues critical to quality and consistency in charter schools, including personnel, achievement, and scale.
- The Foundation rallied other donors to support research on charters and charter policy.

“Right now, there is sometimes an inverse relationship between quality and scale. We have to design an infrastructure that will address this.” *Andrew Rotherham, Education Sector*

Grants to Organizations that Improve the Policy Environment for Charters

Casey also invests in organizations that do research, evaluation, and analysis on charter school policy and practice. In 2003, Casey collaborated with the Bill and Melinda Gates Foundation to fund the National Working Commission on Choice in K-12 Education, a panel of experts that reviewed choice in the United States and made recommendations for how to do it better. The commission's report helped shift the national climate of opinion regarding school choice policies.

Subsequently, Casey has invested in charter research, including a series of in-depth case studies of charter schools by state by the Progressive Policy Institute and Education Sector. To ensure ongoing substantive research on charters, Casey helped organize a group of donors to support the National Charter School Research Project at the University of Washington. The Project has focused a research laser beam on topics critical to cultivating high-quality charter schools, including improving student achievement, raising teacher quality, developing effective curricula, and creating accountability systems that work.

The Foundation also invests in the National Alliance for Public Charter Schools, which analyzes state and federal charter school policies and student performance data in order to make evidence-based recommendations to improve state and federal charter laws. The Alliance advocates for equitable funding for charters, lifting charter caps, creating multiple authorizers, and establishing more nuanced measures of charter achievement.

Next Steps for Casey and Charters

If charter schools are to thrive, Casey and its grantees have learned that the charter movement must focus on scaling up successful charter efforts, increasing the supply of quality teachers and leaders, improving our understanding of the demand side of school choice, solving the facilities problem, and fostering effective authorizing and accountability systems.

The Foundation has also learned that high-quality charters have the promise to influence traditional school districts. “Charters are a force in 21st century public education that is more complicated and has the potential for far greater rewards than charter proponents initially envisioned when the first charter school opened in 1991,” said Casey’s Manno.

Back in the early 1990s, charter supporters simply wanted to provide parents with education alternatives and create some competition for traditional public schools. Now, in places like Indianapolis, competition from charters is leading to cooperation and collaboration between the school districts and the charter schools.

Casey’s next phase of charter investments will include supporting and documenting efforts like the one in Indianapolis, where charters and districts are starting to work together. The Foundation will also focus on scaling up successful charter efforts, including investing in entities that support networks of schools and that undertake community and advocacy efforts on behalf of chartering, especially with families and community leaders.

SELECTED CHARTER RESULTS

Impact

- 81 percent of 6,110 total students in Casey-supported charter schools have improved performance on state math tests.
- 59 percent of these students have improved performance on state reading tests.
- 35 percent of Casey-supported charter schools are expanding.
- 50 new charter schools with English language learner (ELL) focus in 16 states.
- 33 new charter schools open in Philadelphia.
- 8 new charter schools open in Milwaukee.
- 9 new charter school facilities in New York City.
- 300 DC charter teachers trained in effective special education techniques.
- 100 charter schools trained in effective ELL techniques.
- 173 new charter principals.
- 20 new charter assistant principals.

Influence

- A gradual shift in the national climate of opinion regarding school choice policies.

- A more nuanced and balanced view of charters in national and state news coverage.
- Districts in the Indianapolis area are collaborating with charter schools.
- Supported the creation of effective and replicable charter authorizing and accountability systems in Indianapolis.
- Supported the creation of an effective, replicable, and nuanced results reporting system in Indianapolis that will work for both charter and traditional public schools.
- Supported the first national leadership organization for charter schools.
- Supported the first national charter research institute.
- 6 state charter laws improved.
- 6 charter school special education cooperatives based on the DC Coop model.

Leverage

- \$20 million for charter facilities in Indianapolis.
- \$30 million for charter facilities in California.
- Numerous investments in Casey grantees by other national and local donors.



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